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The Commercial and FINANCIAL CHRONICLE

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OUR REPORTER'S REPORT

The investment banking fraternity, pledged to full support of the Treasury's forthcoming War Loan Drive to raise another $13,000,000,000, beginning next Monday, spent the greater part of its time this week in setting its house in order for the job.

Bankers, from the experience in the December drive, which aimed at a goal of $9,000,000,000 and, ultimately turned in a grand total of some $13,000,000,000, realize the enormous nature of their task.

But they realize too its vital importance to the welfare of the nation in its present period of stress and, from the general run of comment heard in the Street, Secretary Morgenthau has nothing to worry about so far as the efforts of this particular contingent is concerned.

If drive and push and the so-called "know-how" is what is needed to put the campaign over the top, well the men like Perry E. Hall, Percy M. Stewart, Allan M. Pope, Harry W. Beebe, Irving D. Fish, Jay N. Whipple and others who make up the Invest-

(Continued on page 1299)

Chicago Section

Special section devoted exclusively to Chicago recommendations and brevities starts on page 1286. This will be a regular monthly feature of the "Chronicle."

No Currency Depreciation Or Cheapening Of Dollar Planned

Neither currency depreciation or a cheapening of the dollar is contemplated by the Treasury as a means of reducing the vast post-war Government debt, according to Secretary of the Treasury Henry Morgenthau, whose views regarding this vitally important subject were expressed in a letter sent to the Editor of the "Chronicle" by D. W. Bell, Under Secretary of the Treasury.

Sec. Morgenthau

Daniel W. Bell

Mr. Bell expressed confidence in the Government's ability, through the medium of its rationing, price control and other measures, to "maintain the purchasing power of the dollar," the security and stability of which, he added, has always been regarded by Mr. Morgenthau "as a primary objective of Treasury policy."

Mr. Bell's letter is another in the series of comments received since publication in the "Chronicle" of March 4 of an article by Dr. Walter E. Spahr bearing the caption: "Program To Salvage Fiscal And Monetary Solvency."

In this article the author, who is Professor of Economics, New York University and Executive Secretary of the Economists' National Committee on Monetary Solvency, condemned various moves leading the country into serious inflation, and expressed faith in our ability to carry our post-war national debt without backbreaking taxation or resorting to currency dilution in any form.

The views of the Under Secretary of the Treasury Bell, as contained in his letter of April 5, are reproduced herewith, and further below we give the comments received from other sources, not previously published.

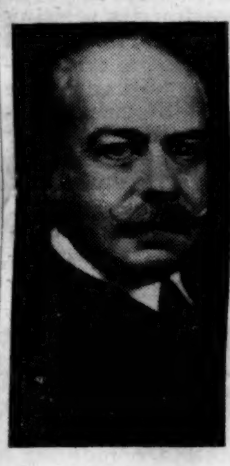
(Continued on page 1300)

The Future Of The Gold Standard

In an authoritative article which appeared in the "Chronicle" April 1, bearing the above caption, Dr. Edwin Walter Kemmerer, Professor of International Finance in Princeton University, discussed the post-war monetary situation and expressed the conviction that the doctrines of the gold-standard school would prevail and we would be spared the chaos that would ensue if each country adopted its own nationalistic paper-money standard. The "Chronicle" invited comments from its readers regarding the views expressed by Dr. Kemmerer, and such letters received to date as can be accommodated in this issue are given below. Additional ones will appear in subsequent issues.

JULES S. BACHE
J. S. Bache & Co.

Having always been a dyed-in-the-wool "gold man," I have always wondered why people find it necessary to defend the gold standard. The defense of a mooted question presupposes an alternative. My answer to all those who either question the gold standard or attack it, is: "Give me the alternative and I will be glad to argue the matter with you."



Jules S. Bache

I appreciate the good work that Dr. Kemmerer, as well as his important brochure, have done on this subject, but the sooner the world settles down to realize that there is no gold question, since there is nothing to take its place, the better it will be for the continuing argument on this score.

I would particularly call your attention to the fact that the "Have-Nots," as represented by Germany, make their first visit to any place where they can find gold, which they claim they do not want, before looting anything else in their numerous conquests.

A RETIRED BANKER

Professor Kemmerer's most interesting and informative article on the Gold Standard raises one question which I should like to have answered. In the last paragraph he says:

"At the end of the present war it will be to the interest of the United States as well as of the rest of the world to reestablish the international gold standard. This country will then own the great bulk of the world's mone-

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J. Arthur Warner Co. To Conduct Retail Business On Brokerage Basis; "Street" Hopeful Of Success But Skeptical

J. Arthur Warner announces that on and after May 1st the firm of J. Arthur Warner & Co. will execute all orders received from their retail customers on a commission basis. In other words, Warner & Co. will henceforth act only as brokers when buying or selling securities for investors. Mr. Warner says that the firm will not only continue but will enlarge and expand its Trading Department, and will carry an inventory of securities in connection with trading positions, but made it clear that such "securities will be available only for sale to other security firms or registered dealers and brokers."

"All orders," Mr. Warner states, "for the account of our customers will be executed at the best prices obtainable, and written confirmations or notices will be furnished at or before the completion of the transaction making disclosure of commissions charged.

"Our facilities and services to our customers will be further expanded, so that customers seeking advice regarding securities will receive prompt, efficient and improved service. We will continue our policy, as heretofore, of reviewing customers' accounts after they make their purchases, so that in the event of changing conditions in the national economy, or within a given company, customers can be advised accordingly from standard and disinterested sources."

The consensus of opinion around the "Street" is that although highly commendable the Warner plan is not practical in that the investing public has not as yet been educated to a point that makes it possible for a retail firm, generally speaking, to disclose its profits to its clients without creating insurmountable sales resistance, since the commission exacted must necessarily be very much higher than the commission rates they are accustomed to be charged by Stock Exchange houses who do not have to have salesmen on the outside with all of the expense incidental thereto.

Partners of the firm are James Arthur Warner and Joseph Henry Young.

Offices are maintained in Albany, Boston, Jersey City, Newark, New York, Philadelphia, Pittsfield, Portland, Springfield, Sunbury, Utica, Wellesley, and Wilkes-Barre.

R. H. Stiepock Joins Hugh W. Long & Co.

R. H. Stiepock has joined Hugh W. Long and Company, Incorporated, 15 Exchange Place, Jersey City, N. J., national distributors of Manhattan Bond Fund, Fundamental Investors and New York Stocks, Inc. as Director of Industry Analysis. In connection with the expanded dealer service of the firm he will supply its correspondents periodically with studies of well-situated industries.

Mr. Stiepock was formerly Industrial Analyst with the Investment Company of America in Detroit. Later he joined the Chrysler Corporation and for five years was in charge of consumer and advertising research.

He has acted as independent merchandising and promotion counsel for "Colliers," "Time" and other national publications as well as radio networks and comes to Hugh W. Long and Company from The Greater New York Fund, where he was assistant public relations director.

Reynolds & Co. Open New Branch In N. J.

Reynolds & Co., members of the New York Stock Exchange and other leading national Exchanges, announce that as of April 1, they have opened a branch office at 20 North Pearl Street, Bridgeton, N. J., under the management of Herbert E. Kleinhenn. Mr. Kleinhenn was formerly Bridgeton manager for Yarnall & Co.

F. I. du Pont To Admit Travers As Partner

William P. Travers will become a partner in Francis I. du Pont & Co., 1 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges, effective April 15. Mr. Travers will act as alternate on the floor of the New York Stock Exchange for John J. Trask.

Harold W. Chapman retired from partnership in the firm as of March 31, on which date the interest of the estate of the late Francis I. du Pont ceased.

Milo Clapp Elected V.-P.

(Special to The Financial Chronicle)

CLEVELAND, OHIO — Milo F. Clapp of Columbus who has been associated for some time with Dodge Securities Corp., Terminal Tower Building, has been elected as vice-president of the firm.

Benton-Nicholas To Admit

Edward Gutekunst will become a partner in Benton & Nicholas, 25 Broad Street, New York City, members of the New York Stock Exchange.

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

ASHEVILLE, N. C.—**Garland P. Wright** has been added to the staff of **Merrill Lynch, Pierce, Fenner & Beane**, 22 Battery Place.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Albion Trenerry** has become affiliated with **Straus Securities Co.**, 135 South La Salle Street. Mr. Trenerry was previously with E. H. Rollins & Sons, Inc., and Selected Investments Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Manford M. Haskell** is now with **M. B. Vick & Co.**, 120 South La Salle Street.

(Special to The Financial Chronicle)

CLEVELAND, OHIO—**Emerson C. Hess** has become associated with **Paine, Webber, Jackson & Curtis**, Union Commerce Building. Mr. Hess was previously with Otis & Co. and K. M. Krantz & Co.

(Special to The Financial Chronicle)

DETROIT, MICH.—**Roy Frank Chapin**, for a number of years with Charles A. Parcells & Co., has joined the staff of **Baker, Weeks & Harden**, Penobscot Building.

(Special to The Financial Chronicle)

DURHAM, N. C.—**N. Fletcher Morris** is now with Harris, Upham & Company, Trust Building.

(Special to The Financial Chronicle)

KANSAS CITY, MO.—**Otis John Space** has become connected with **Goffe & Carkener, Inc.**, Board of Trade Building.

(Special to The Financial Chronicle)

MACON, GA.—**Clifford Anderson** has become associated with **Merrill Lynch, Pierce, Fenner & Beane**, 363 Third Street. Mr. Anderson was formerly local manager for Courts & Co.

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NOTE—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

Lawrence W. Simon Is With Blair Securities

(Special to The Financial Chronicle)

CLEVELAND, OHIO — Lawrence W. Simon has become associated with Blair Securities Corp., as manager of their newly-opened Cleveland office in the Union Commerce Building. Mr. Simon was formerly with C. F. Childs & Co. in charge of their Cincinnati and Cleveland offices. Prior thereto he was a partner in Borton, Kay & Company, and was with Goodbody & Co. and Prescott & Co. In the past he was an officer of Callahan-Simon & Co. and L. W. Simon & Co., Inc.

B. & M. Looks Good

The current situation in income mortgage A 4½s of 1970 of the Boston & Maine RR. offers attractive possibilities, according to a circular just issued by McLaughlin, Baird & Reuss, One Wall Street, New York City. Copies of the circular discussing the situation in detail may be had from the firm upon request.

Young Appointed Director

F. J. Young, head of the investment banking firm of F. J. Young & Co. Inc., 52 Wall Street, New York City, has been elected a Director of Scullen Steel Co.

DEALER BRIEFS

Baltimore, Md.

In recent months we have witnessed the broadest market in years, and our opinion is that it will continue as long as the war and taxes continue to dominate thought and values.

However, in looking forward to the risks that belong to the future, the investor can but dimly see the shape of events that may have a bearing on his investment position. Of one thing he may be sure—the future will be fraught with many occasions calling for sound appraisal and judgement. —*Elisha Riggs Jones, E. R. Jones & Co.*

From an investment viewpoint, it is becoming increasingly difficult to find attractive situations. Although leading bank stocks have advanced substantially since publication of our pamphlets in April, 1942, and February, of this year, recommending these stocks, we still consider them attractive at present levels, especially where selling below book value.—*John C. Legg, Jr., Mackubin, Legg & Co.*

Our customers are more inclined today to invest in the sounder equities, with particular regard to protection against possible postwar inflation. They are inclined to buy the fire insurance stocks on an investment basis and to avoid those industrials that are selling a large number of times earnings. There is also a tendency to buy the type of equities that have a reasonable post-war outlook.

There is a tendency to avoid stocks that can be bought solely for speculative gains, as a large part of such profits will have to be paid to the Government in income taxes. —*Harry S. Middendorf, Middendorf & Co., Inc.*

Syracuse, N. Y.

Investors once again seem to be seeking growth companies and securities of corporations that were "borderline" in 1932-1938 but which have reduced indebtedness during recent flush years. New York Central, Northern Pacific, Syracuse Transit, Southern Pacific are a few of such popularly held local bond issues. The stocks of some of these are also now being bought outright for leverage with the idea that America will lead in policing, feeding and rebuilding the war-ravished countries, and that our rails and transportation facilities will be busy for some time.—*William N. Pope, Inc.*

American Business Credit Reports Phenomenal Growth

American Business Credit Corporation, during its comparatively short career, has achieved a prominent position in the field of financing business and industry. In the six months ended Dec. 31, 1942, A. B. C. experienced one of the best half-yearly periods in its history. Net was $290,307; per share earnings on the Class A stock were 24 cents compared with 25½ cents in the corresponding period of the preceding year.

This favorable showing is largely due to the fact that A. B. C. is in the fortunate position of having a very small part of its business in automobile financing. In its last annual report, the Company stated that automobile financing has never amounted to more than 1% of the total volume of business transacted. Consequently, discontinuance of automobile manufacture could have, at most, only a negligible effect on its business. Falling off in some other lines has been to a great extent offset by clients of the Company adapting themselves to production in the war effort.

The Company, established only in 1937, has shown a profit in each year and has paid quarterly dividends regularly since a few months after beginning business. Gross volume, and net after taxes, for years ended June 30, have been as follows:

Yr. Ended June 30	Gross Business	Net Income
1938	$4,755,273	$20,085
1939	21,087,869	129,882
1940	58,876,552	300,648
1941	82,502,078	331,658
1942	130,231,066	645,326

Net earnings for the year ended June 30, 1942, were equivalent to 53½ cents per share on the 963,713 shares of Common Stock, Class A outstanding; dividends on the Class A amounted to 32 cents per share, payable quarterly, the same rate as paid for several years past. Book value on the same date was $5.75 per share. Capital and surplus amounted to $5,774,366, and total resources to $21,162,843.

The fact that the Company is engaged only to a relatively small degree in financing consumer sales should be distinctly helpful in enabling it to maintain a profitable volume of business during the war, and after the war it should be in a good position to resume its steady growth. A regular quarterly dividend of 8 cents per share was paid March 31.

Enhancement Possibilities Seen In CGO, Milw. R. R.

Great enhancement possibilities now exist in the outstanding obligations of the Chicago, Milwaukee, St. Paul and Pacific Railroad, according to C. E. Stoltz Co., 25 Broad Street, New York City. Thomas G. Campbell, railroad consultant for the firm, offers a report showing all the important changes in the company's physical and financial makeup since 1900. The report is divided into three parts: (1) statistical record and analysis covering the period 1900-1942; (2) treatment and potential values for the three important bond issues outstanding; (3) how to successfully arbitrage so as to obtain the new securities at the lowest possible price.

Price of this report, which will be available April 15th, is five dollars per copy and orders should be addressed to Mr. Campbell, at C. E. Stoltz Co. Checks should accompany all orders.

A. Wiesenberger To Admit C. L. Benesch

Charles L. Benesch will be admitted as of April 15, to partnership in Arthur Wiesenberger & Co., 56 Beaver Street, New York City, members of the New York Stock Exchange. Mr. Benesch was formerly manager of the syndicate department for Ernst & Co. with which he had been associated for a number of years.

Lewis Bailey Is V.-P. Of Dallas Rupe & Son

DALLAS, TEX.—Dallas Rupe & Son, Kirby Building, investment bankers, announce that Lewis W. Bailey, former editor of the Dallas "Journal," has joined their organization as vice-president in charge of advertising and public relations. Mr. Bailey's activities will be largely with the many affiliates of the Rupe organization in the Southwest. These include the San Antonio Transit Company, Louisiana Public Utilities Company and the Crescent City Laundries in New Orleans, the Brayton Flying Service in Cuero, Texas, which is training flyers for the United States Army Air Corps, and a number of hotels, apartment buildings and office buildings in which they have interests and participate in the management.

Attractive Common Stocks

A list of common stocks of companies which, at current levels, appear reasonably priced, afford dividend income and seem likely to emerge from the war in a satisfactory manner, has been prepared by Daniel F. Rice & Co., 141 West Jackson Boulevard, Chicago, Ill., members of the New York Stock Exchange. Copies of this interesting list may be had from the firm upon request.

Deep Rock Oil Looks Good

Common Stock of the Deep Rock Oil Company offers interesting possibilities, according to an analysis prepared by Doyle, O'Connor & Co., Inc., 135 South La Salle Street, Chicago, Ill. Copies of the analysis will be sent by Doyle, O'Connor & Co. upon request.

REAL ESTATE SECURITIES

SHERRY NETHERLAND HOTEL

Over 250% Increase In Operating Profit For the First Two Months Of 1943 Compared To Same Period in 1942!

First Mortgage Bonds Still Sell At Less Than 25% Of Face Value

The current excellent earnings, together with the anticipation that at least a part of this remarkable recovery in business may be retained over the longer term future, gives these low-price first mortgage bonds speculative attraction. An added feature of the bonds is that they carry a participation in the ownership of the property.

The present first mortgage bonds were issued pursuant to a plan of reorganization confirmed by the United States District Court, the 25th of October, 1935, under Section 77B of the Bankruptcy Act. Junior funded debt of $2,890,000 was eliminated and Junior creditors were given stock representing 21.6% of the ownership of the property. Each $1,000 first mortgage bondholder received 10 shares of common stock in voting trust form (voting trust expires Jan. 2, 1946), representing an equal share in 88.4% of the ownership of the property, and a new $1,000 first mortgage bond known as Sherneth Corporation 5¾% income bond due Jan. 1, 1946.

During 1941, final payment was made on $70,821.32 notes representing reorganization fees unpaid, so currently there are no prior liens to the bonds, which are secured by a first mortgage on the land owned in fee, comprising approximately 12,500 square feet and the 37-story apartment hotel erected thereon containing 375 rooms, eight stores and the usual public rooms, etc.

During reorganization about $88,000 was spent to install an air-conditioner bar and grill room. The furniture and furnishings of the hotel are additional security for the bonds and were acquired by the Trustee during receivership. $150,000 was expended for this and other purposes, such as the acquisition of the name "Sherry Netherland." This money and $15,000 used for the purchase from Louis Sherry, Inc., of certain bronzes, tapestries and other art objects used in the decoration of the dining room, was taken out of accumulated earnings during receivership. The property, we understand, is in excellent condition and has been well cared for since reorganization.

The Sherry Netherland Hotel is one of New York City's modern luxury hotels. Built in 1927, it is well located at the northeast corner of Fifth Avenue and 59th Street, at the southern extremity of Central Park. It is assessed for tax purposes at $3,750,000 for the years 1942-43.

First Mortgage bonds outstanding amount to $6,000,000. All available net income from the property is applicable first to the payment of income interest on the bonds up to 3% per annum. Any then remaining net income is divided into two equal parts, one-half to be used for additional interest up to 2¾% (a total of 5¾%) and any balance of this half for corporate purposes. The other half of such surplus over 3% interest, is to be applied to a sinking fund for the retirement of bonds by purchase.

Since the reorganization of this property, because of poor business, common to most New York hotels catering to luxury trade, and the requirement to pay off the note issue of $78,690.36, no interest payments were made to the bondholders until September, 1941, when they received ½ of 1%. Nothing was paid in 1942, and on March 1, 1943, another payment of ¼ of 1% was made.

However, since the first of the year, the business of this hotel, along with that of similar hotels in New York, showed a very marked improvement. Gross income increased and, despite higher operating costs, gross opera-

(Continued on page 1301)

Last Chance For STANY Dinner Reservations

The annual dinner of the Security Traders Association of New York will be held April 30 at the Hotel Roosevelt, B. W. Pizzini, B. W. Pizzini & Co., President of the Association, announced today. Practically all tickets for the dinner are sold, and all desiring to attend should make their reservations now, as after this week no further subscriptions will be available.

The Association will have as its honored guests executives of various Exchanges, Government agencies, banking organizations, and other securities associations.

Among those scheduled to attend the STANY dinner are:

Ganson Purcell, Chairman, Securities & Exchange Commission.

James A. Treanor, Jr., Director of Trading & Exchange Division, Securities & Exchange Commission.

Wallace H. Fulton, Executive Director, National Association of Securities Dealers, Inc.

Frank L. Scheffey, Executive Secretary, District No. 13, National Association of Securities Dealers, Inc.

J. J. Hyde, President, Corporate Traders Association.

Wm. Perry Brown, President, National Association Security Traders.

Cyrus J. Currier, President, New Jersey Bond Club.

Jay N. Whipple, President, Investment Bankers Association.

Alan MacDuffie, Attorney, Securities & Exchange Commission.

James J. Caffrey, Regional Administrator of New York, Securities & Exchange Commission.

Emil Schram, President, New York Stock Exchange.

Irving D. Fish, Chairman, District No. 13, National Association of Securities Dealers, Inc.

F. Moffat, Chairman, New York Curb Exchange.

Frank Dunne, President, New York Securities Traders Association.

Charles R. Gay, Gude, Winmill & Co.

Albert H. Gordon, President, Bond Club of New York, and Vice-President Investment Bankers Association.

No set addresses will be delivered. Attendance at the dinner, of members and guests, is expected to be in the neighborhood of 700. Present active membership of the Association is around 400. Fifty-five members are now in the armed forces.

Irwin Klein Is Now With Westheimer & Co.

(Special to The Financial Chronicle)

CINCINNATI, OHIO—Irwin B. Klein has become affiliated with Westheimer & Co., 326 Walnut Street, members of the New York and Cincinnati Stock Exchanges. Mr. Klein was previously an officer of A. & J. Frank Co. with which he had been associated for 30 years.

Interesting Situations

American Business Credit "A," Quaker City Cold Storage Co. 5s of 1953, and Pittsburgh Terminal Warehouse & Transfer first refunding 5s of 1936 offer interesting possibilities at the present time, according to memoranda just issued by Hill, Thompson & Co., 120 Broadway, New York City. Copies of these memoranda may be had upon request from Hill, Thompson & Co.

Associate Curb Members

At its meeting yesterday the Board of Governors of the New York Curb Exchange elected to associate membership George Herman Pierson of Waller C. Hardy & Company, Charleston, W. Va.; Thomas E. King of Hicks & Price, Chicago, Ill., and Jerome F. Tegeler of Dempsey-Tegler & Company, St. Louis, Mo.

Tomorrow's Markets Walter Whyte Says—

"Hold your hats, boys. Here we go!" now general sentiment. Wide bullish opinion reminiscent of "new era" build-up. Part profits and raising of stops now advised.

By WALTER WHYTE

Judging from the way the stock market is acting quite a lot of people must think that stocks are about the only things one can get these days without ration points. The way actual and potential customers crowd around order room windows and jam phone lines must bring lighthearted noises from brokers who can remember when they worried themselves sick about not only where to get the money to pay the order clerks' salaries, but if any would be left over to pay for phones.

* * *

Everything is changed today. Order clerks have no time to work crossword puzzles. Phones are now being used for actual orders, not just quotes, and even partners are once again giving serious consideration to replacing that suit with the shiny seat with a new one—cuffless and vestless.

* * *

I walked into a customers' room the other day, the first time in months, and was amazed at the crowd. Every chair was taken. Every phone was busy. Yells of "They're bidding 100 for such and such stock" could be heard rising above the din. If the calendar didn't say it was April, 1943, I'd have been sure it was the Summer of 1929, olav hasholem.

* * *

The Sunday papers are full of ads offering to furnish the lowdown on the market. Teaser announcements: "What about your utilities?" are as common today as want ads in the classified sections. Even the ace keyhole peeper of them all, the mighty Winchell, wrote in his column Tuesday that ". . . . big buying (of stocks) is coming from defense centers." Yes, it looks like old times again. Volume is big and prices are zooming.

It would be very easy for me to go along and join the parade. I won't say I'm not tempted. Floating along with the current can be restful, and if I'm washed ashore, so what? I can always point out that there are other people in the same fix. I can even toss off a cliche, something like: "We are all in the same boat." Yet the signs of reaction, though not sharply defined are there. At times they hide their heads coyly. But coyly or boldly they are present. And to step into the nice pleasant water because a lot of people are in yelling the water's fine, when all the time I suspect a couple of sharks are right outside the breakwater, would be the height of assininity.

* * *

Among the reasons I hear as being responsible for the current buying surge are such delicious tid-bits as "Buyers are planning for the post-war era." If that's a reason for buying then I don't want any part of it.

* * *

Another was the statement of Treasury Secretary Morgenthau, who talked about plans for post-war currency stabilization and a partial return to the gold standard by most of the world. I'll venture an opinion that few buyers know anything about how currency stabilization works or how a return to a gold standard can effect stock prices.

* * *

Yet another reason is inflation and the desire to protect one's self against it. Of all the foregoing, the latter appeals the most to me.

* * *

Inflation is no longer the bogey man in the dark who is going to jump out and get you if you don't watch out. He, or if you prefer a neuter gender, it, is out and already making like Sinbad's old man of the sea. If you don't think so take a look at your meat and grocery bills. I know, we are going to beat the H. C. L. by raising a Victory garden. I'll give odds that 90% of our enthusiastic amateur tillers of the soil will raise nothing more than a flock of blisters and callouses and sore backs. So even if we get a couple of scrawny tomatoes what money we'll save we'll have to give the doctor to treat the assorted aches and pains.

(Continued on page 1299)

RAILROAD SECURITIES

The 1942 annual report of New York, Chicago & St. Louis has just been released and certainly adds materially to the growing inclination to accept the road as a good, rather than a marginal, credit. Over a period of years the major strain on Nickel Plate's credit has been the recurring maturity of the unsecured 6% Notes. From 1932 on, the notes were extended on successive occasions for three years each, and on each request for extension the maturity constituted a threat to the road's solvency.

At the most recent maturity date, 1941, the offer was for an extension to 1950 and the large proportion of undeposited bonds was paid off in cash. As of the end of 1942 the face value of notes outstanding had been reduced to $2,795,200 (originally there had been $20,000,000) and as they have a sinking fund of 25% of net income the entire issue should be eliminated over the near future. In addition, the company has continued to reduce its earliest maturities, due in 1947, through open market purchases and retirement. The 1947 problem is comprised of two very strong underlying liens and as of the end of last year the total face value had been reduced to $21,321,000.

The balance of the non-equipment debt consists of another divisional due in 1950 but outstanding at only $6,500,000, and the two series of Refunding bonds aggregating $85,933,000 but not maturing for more than 30 years. The management has consistently asserted its intention to continue concentrating on the 1947 maturity problem and, considering the earnings status of the properties, as well as the strong position of the bonds themselves, these obligations should be met without difficulty. In this connection, it is pertinent that the road is in the high excess profits tax brackets so that the effect on net earnings of cessation of the war boom would be to a considerable extent cushioned. It is safe to say that the road's major difficulty in the past, maturity problems, may no longer be considered as potentially affecting its credit adversely.

From an earnings standpoint there has been little reason for concern even on the basis of results actually reported. During the ten years 1932-1941, inclusive, the road reported deficits in only three years, and in two of the deficit years charges were about 85% earned. Only in 1932 was there a really sizable loss. On top of this actual showing it may be noted that fixed charges last year had been reduced to $5,830,455, or more than $2,000,000 below the level prevailing ten years ago. Even this did not reflect in full the 1942 debt retirement, some of which was accomplished as late as December and carried interest throughout the year.

At the present time it seems likely that charges are running at the rate of no more than $5,600,000. With the debt retirement which may be accepted as inevitable this year the obligatory requirements should be brought to the neighborhood of $5,300,000. A post-war level of below $5,000,000 for charges appears as logical. Adjusting for elimination of dividend income on the Wheeling & Lake Erie prior lien stock that has been sold, such charges would have been earned in every year of the depression with the exception of 1932. With the improvement that has taken place in railroad operating efficiency since that date, and the altered political philosophy that should be effective in preventing a return to 1932 business levels, there is certainly every reason to minimize the possibility of a repetition of 1932 railroad operating results.

There is every indication that Nickel Plate will emerge from the war period after a painless reorganization with a debt structure virtually, if not actually, impervious to depression conditions. This is particularly true inasmuch as the fundamental traffic position is so strong. Over a period of years the road has shown a far greater stability of revenues than Class I carriers as a whole or the Great Lakes carriers as a group. The line is essentially a main line property with little branch or feeder mileage that would be vulnerable to highway competition. Also, a large part of its industrial freight is heavy bulk material which does not move by truck, and the road gets little passenger or express business which might be vulnerable to air transport diversion.

To Admit Bechdol

Raymond J. Bechdol will shortly be admitted to partnership in La Branche & Co., 50 Broadway, New York City, members of the New York Stock Exchange. Mr. Bechdol was formerly a partner in Stafford & Co. and recently was active as a New York Stock Exchange floor broker. Mr. Bechdol will act as alternate on the floor of the Exchange for George M. L. La Branche, Jr.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—56, low—14¾; April 7 price—54⅞.

Chicago Brevities

Rejection by the Illinois Commerce Commission of a proposed plan to provide one great local transportation system for Chicago through unification of the street car and elevated lines is expected by security dealers here. The commission currently has the merger plan under consideration and, with a decision expected to be handed down almost any day now, much of the interest of dealers is being focused on this subject.

Local dealers are not alone in their belief that the proposed plan will not be adopted. Other observers feel the same way. Rejection of the plan by the commission would leave the local traction situation in the same muddle that it has been in for years. Both the surface lines and elevated railway companies have been under protection of the Federal court for years. Numerous efforts have been made to bring about a permanent solution to the traction problem, which culminated in the formulation of the merger plan.

The plan now before the commission would set up a new unified company, known as the Chicago Transit Company, which would operate as a single unit the street car properties, elevated lines, and the new subway system, certain segments of which are nearly completed. A total of $179,000,000 of new securities would be issued, of which $136,000,000 would be given to present holders of surface lines securities and $43,000,000 to holders of elevated lines securities.

The merger plan has been approved by the Federal Court, the City of Chicago, and a majority of security holders of the surface lines and elevated railway. The plan received a setback when two examiners of the commission, after protracted hearings, recommended that the regulating body find it basically unsound. Oral arguments on the examiners' report were heard recently by the commission. If the tribunal fails to sustain its examiners it will come as a surprise to many.

Proposals for unification of traction properties have been made for many years in Chicago, but the present one is the only plan to reach a really advanced stage. It had its inception late in 1937 when the Federal court appointed a committee to draft a unification plan. The next year, W. A. Shaw, transit attorney for the court, presented a proposal. Somewhat modified, it is the plan of today.

There are a couple of alternatives, should the plan be finally rejected, as expected. The most logical course of procedure, according to local security dealers, is to proceed with the reorganization of the surface lines, apart from the elevated lines, under the terms of the old Abbott plan, which has been before the court for years. It has never been dismissed by the court and could, authorities say, be revived at the instigation of a number of security holders.

Meanwhile, Chicago's 50-year-old dream of a subway became at least a partial reality last week, when trial runs of special trains were made on the first link of a projected $240,000,000 system. Two links of the system now are virtually completed, but just when they will be opened for public travel still is a question of doubt. Some statements have been made that completed section may be placed in use within a few months, and still other statements have been made that it was doubtful whether the first link will be utilized before the end of the the war.

Following the first trial run, Chicago Rapid Transit (elevated lines) bond issues last week rose as much as $2\frac{1}{2}$ points in over-the-counter trading. Quotations on the securities, prior to the first trial run, had remained on an even level for several months. Such issues as Northwestern Elevated Railroad first 5s of 1941 and Union Elevated first 5s of 1945 advanced from 9 to $11\frac{1}{2}$.

Local dealers remarked that there also had been a pickup in interest in surface lines issues in the last two or three weeks, and gains extending to one point have been recorded. All traction issues have been buoyed by a strong upturn in earnings due to expanded traffic volume.

Dealers report a growing demand at advancing prices for stocks of Chicago downtown and outlying banks. Some issues that have been lying dormant now are being traded actively. Particular mention was made of the fact that there had been particularly heavy institutional buying of shares of the First National Bank.

As evidence of the upswing in quotations of the banking institutions, dealers pointed out that the bid price of First National stock at the close of last week was 324, as compared with 306 on March 1 and 282 at the close of 1942. Continental Illinois National Bank & Trust Company shares were quoted on the bid side at 93 at the close of last week, a gain of four points compared with March 1 and 16 points compared with Dec. 31.

Harris Trust & Savings Bank shares, quoted at 325, recorded gains of 5 and 20 points compared with March 1 and Dec. 31, respectively. Wide gains in quotations also were posted by shares of other large local banking institutions in the last 90 days.

The possibility that the Chicago, Milwaukee & North Shore Railroad, electric line operating north out of Chicago, will be completely reorganized by the first of next year is foreseen by some local dealers. Now that reorganization is being handled under Chapter 10 of the Chandler Act, under which the Baltimore & Ohio Railroad was recapitalized, it is expected that the court proceeding will be accelerated.

Reorganization of the line was delayed for some time because of uncertainty as to the proper statute under which to proceed. Federal Judge Michael L. Igoe of the district court at Chicago approved procedure under the Chandler Act. Previously, two petitions for reorganization were filed, one calling for handling the case under the Chandler Act and the other under Section 77 of the Bankruptcy Act.

Judge Igoe's decision was upheld by the United States Circuit Court of Appeals. This decision was referred to the Supreme Court of the United States, which recently refused to review the lower court's finding.

Reorganization plans now being discussed call for the issuance of a single issue of bonds and a single class of stock. Present reorganization efforts, it is indicated, has the backing of the holders of a substantial amount of outstanding bonds.

IBA Makes Treasury War Loan 1st Business

Investment banking will make the Treasury's $13,000,000,000 Second War Loan, scheduled to start April 12, its "first business" for the duration of the drive, said Jay N. Whipple, President of the Investment Bankers Association of America, on April 1.

Jay N. Whipple

Writing all members of the Association, Mr. Whipple, who is a partner of the Chicago investment firm of Bacon, Whipple & Co., and is to act as Chairman of the drive in the metropolitan Chicago area, asked that all of them defer new securities offerings for the period of the drive "wherever possible" and that they lend their best men to the War Loan organization. In his letter Mr. Whipple stated:

"The Second War Loan affords the securities industry an opportunity to render a patriotic service and, at the same time, demonstrate again its essential role in the national economy.

"Of the $13,000,000,000 to be raised in this drive the United States Treasury expects $8,000,000,000 to come from individual, corporate and institutional investors other than commercial banks. This calls for the most intensive coverage.

"Investment bankers are particularly equipped for the task of training, directing and organizing volunteer workers. The job is so large and the need for experienced securities men so great that it will require virtually a full-time effort.

"The issuance of new securities will be deferred wherever possible for the duration of the drive in order that the personnel of our business can concentrate upon the sale of Government securities.

"By doing our utmost to induce those with idle balances or hoarded dollars to lend them to the Government, we will render a service to the country. There is no doubt that our industry will respond enthusiastically, and for the duration of the Second War Loan drive it will be our first business."

Geo. Barnes Submits Simplified Tax Plan

With Congress deadlocked over taxes and the folks back home demanding a workable pay-as-you-go plan, a new formula that would eliminate 70% of the nation's 43,000,000 tax returns by applying the deduction-at-source principle to wages and salaries up to $3,000 has been devised by George E. Barnes, Chicago tax expert and senior partner of Wayne Hummer & Co., 105 West Adams Street, members of the New York Stock Exchange.

The Barnes plan, which has been offered to the Congressional Ways and Means Committee after receiving approval of a number of prominent Middle Western tax men, would apply a withholding tax to the first $3,000 only of earned income as soon as possible this year.

Instead of increasing the confusion by canceling 1942 taxes, Mr. Barnes would defer 1943 taxes on the first $3,000 of earned income.

Mr. Barnes proposes a simplified scheme for computing taxes, eliminating the vast amount of year-end adjustments for refunds and delinquencies which the Ruml plan would entail.

"The Ruml plan," says Mr. Barnes, "piles chaos upon confusion. With all returns on a 'tentative' basis instead of a simple cash basis, every American becomes a bookkeeper and the Internal Revenue Bureau swims in a sea of red tape at a time when even red tape should be on a ration basis."

Copies of an attractive brochure giving details of Mr. Barnes' tax plan may be had from Wayne Hummer & Co. upon request.

Boland In New Office

H. B. Boland & Co. announce the removal of their office to new and enlarged quarters at 52 William Street, New York City. The telephone, Whitehall 3-3414, remains unchanged. H. B. Boland & Co. are underwriters, syndicate participants and distributors of municipal, railroad, public utility and industrial securities, specializing in New Jersey municipals.

"Investors' Almanac"

Estabrook & Co., 15 State Street, Boston, Mass., have just issued their "Investors' Almanac" for April-June, 1943. This attractive booklet contains suggestions for purchases of as well as a discussion of the current security markets. Copies of the booklet may be had upon request from Estabrook & Co. in Boston, or their New York office at 40 Wall Street.

Interesting Opportunity

The Reorganization Plan of the Chicago and Northwestern Railroad Company affords many interesting speculative opportunities, according to a detailed memorandum being distributed by Ira Haupt & Co., 111 Broadway, New York City, members of the New York Stock Exchange and other leading Exchanges. Copies of this memorandum may be had from Ira Haupt & Co. upon request.

Chicago Recommendations

Brailsford & Co., 208 So. La Salle Street, who have issued a monthly bulletin for some time on **Chicago, North Shore & Milwaukee Railroad**, have just prepared the latest available earning figures in a new bulletin on this company. This up-to-date bulletin is available on request through **Traction Securities Dept.** of Brailsford & Co.

Cruttenden & Co., 209 So. La Salle St., recently distributed securities of these companies and have prepared current memoranda, which is available upon request—**Midland Utility 6's of '38; Chicago Traction Securities; The Emerson Elec. Mfg. Co.** common stock; **Belden Mfg. Co.** common stock and **Miller & Hart, Inc.**

Doyle, O'Connor & Co., Inc., 135 South La Salle Street, have prepared an analysis on **Deep Rock Oil Corp.** which is just off the press. This analysis consolidates recent bulletins and brings the information to any interested parties upon request.

Enyart, Van Camp & Co., Inc., 100 West Monroe Street, will send latest quotations on **Chicago and Suburban Bank Stocks** to any interested dealer or individual.

Faroll Brothers, 208 South La Salle St., have compiled latest available earnings and data on **Merchants Distilling Co.** and **Standard Silica Corporation** and these analyses are available on request.

Hickey & Co., 135 So. La Salle St., will send **Galvin Mfg. Corp.** analysis upon request.

Kneeland & Co., Inc., Board of Trade Bldg., have prepared complete up-to-date analyses of the following companies and these will be sent on request: **Howard Aircraft Corporation, Kansas City Public Service Co., Federal Screw Works and Consolidated Dearborn Corp.** These analyses include latest earnings of these companies.

John J. O'Brien & Co. announce that reprints of **"Current Market Observations,"** an article written by Mr. O'Brien that appeared recently in "Mid Western Banker," are available on request and copies may be obtained by writing this firm at 231 South La Salle Street. This article discusses the background of market activities in the rails and sounds a note of caution concerning speculation in cheap rail obligations.

Paine, Webber, Jackson & Curtis have compiled and published a list of **stocks for peace or war.** The list embraces 35 stocks in 22 industries that have paid dividends uninterruptedly every year for periods ranging from 20 to 95 years. If the same amount of money were invested in each of the 35 stocks, the average yield based on recent price and 1942 dividend payments would be 5.29% and based on average dividends for the past ten years 5.10%.

Based on 1942 dividends, yields on individual stocks vary from 2.11% to 8.21% and on average dividends for ten years from 1.87% to 9.23%. At current market prices the stocks are selling at prices ranging around 90% to one-third of their 1935-43 highs. Copies of this interesting list may be obtained by writing to **Statistical Department, Paine, Webber, Jackson & Curtis**, 209 South La Salle Street, Chicago, Ill.

Daniel F. Rice & Co., 141 W. Jackson Blvd., have prepared an eight-page brochure entitled **"Common Stocks for Investment Income and Appreciation in Value,"** to assist investors in planning investment programs and have selected a list of common stocks of substantial industries which, in their opinion, (1) Appear to be reasonably priced at current levels; (2) Afford dividend income and seem likely to continue to pay dividends during the war period; (3) Are in a position to emerge from the war in a satisfactory manner and are ready to share in the normal business of the post-war era. This comprehensive brochure is available upon request.

Ryan-Nichols & Co., 105 So. La Salle St., have prepared an analyses on the **Nekoosa Edwards Paper Co.** common stock, showing earnings of $10.23 for year ended 1942. Book value amounted to $142.77 and dividends of $3.00 were paid during the above-mentioned period. Copies on request.

Straus Securities Co., 135 So. La Salle St., have prepared up-to-date analyses of the securities of **Foote Bros. Gear & Machine Corp.; The Steel Products Engineering Co.; Public Service Co. of Indiana, Inc.**, and **California Consumers Corp.** These will be sent on request to any interested parties.

The current issue of **Thomson & McKinnon's "Review of the Week"** devotes special attention to the Gold stocks, which are finding increasing favor with the investing public. It also has an article on the **Rayon** industry and its future, and one on the **Rail Land Grant Rates.** Copy of this Review, which is a weekly, may be obtained, free of charge, by addressing **Thomson & McKinnon's statistical library**, 231 South La Salle Street.

F. S. Yantis & Co., 120 So. La Salle St., have prepared a new analysis of **Chicago Mill & Lumber Co.** common stock. Copies on request.

Chicago Exch. Members

CHICAGO, ILL. — William H. Gregory, Jr., partner of the New York Stock Exchange firm of Bonner & Gregory, and John W. Walters, partner of the New York Stock Exchange firm of Stevens & Legg, were elected to membership in the Chicago Stock Exchange by the Executive Committee, it is announced. Mr. Walters is now serving as a Captain in the United States Marine Corps.

The Executive Committee also elected to membership George H. Willis and Tracy L. Turner, Jr., both of Chicago.

Bond Club Of Chicago Installs 1943 Officers

CHICAGO, ILL.—On April 1 the Bond Club of Chicago was formally turned over to its new officers for 1943:

Richard W. Simmons, Lee Higginson Corp., President; James H. Murphy, Cruttenden & Co., Vice-President; Loren Cochran, Secretary; Girard Schoettler, Wayne, Hummer & Co., Treasurer.

While plans for the year are necessarily nebulous due to rationing, the Club will carry on its accustomed activities as best it can, and also, through support of the Government War Loan drives, will do whatever is feasible and proper to aid in the war effort.

So far over 30 of the members are in the armed forces and several others have gone into defense jobs.

Geo. H. Ross Becomes Toronto Exch. Member

TORONTO, ONT., CANADA—George H. Ross, partner in charge of the Toronto office of Thomson & McKinnon, 38 King Street, West, has become a member of the Toronto Stock Exchange. The firm felt that the acquisition of a membership in this exchange was justified in view of the increasing interest in mining stocks.

Kane Trading Manager For C. L. Schmidt Co.

CHICAGO, ILL.—C. L. Schmidt & Co., 120 South La Salle Street, announce that Vincent T. Kane has become associated with them as manager of their trading department. Mr. Kane was formerly with Ryan-Nichols & Co. in their trading department, and prior thereto for a number of years was connected with Fuller, Cruttenden & Co.

Wellington Fund Opens New Chicago Office

CHICAGO, ILL. — Wellington Fund, Philadelphia, distributors of Wellington Fund shares, has opened a Chicago office at 39 South La Salle street under the direction of Allen M. James who will act as Middle West wholesale distributor for the securities. Mr. James was formerly with Sutro Bros. & Co. here and later with Taussig, Day & Co.

J. E. Carey Now With Fahnestock In Waterbury

(Special to The Financial Chronicle)

WATERBURY, CONN.—Joseph Earle Carey has become associated with Fahnestock & Co., 111 West Main Street. Mr. Carey was formerly Vice-President of Henry C. Robinson & Co., Inc., in charge of their local office.

Now Price & Davis

The firm name of George E. Price & Co., 60 Beaver Street, New York City, members of the New York Stock Exchange, has been changed to Price & Davis.

Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

First quarter statements of New York City banks reveal mixed trends for deposits and United States Government bond holdings since December 31, 1942. When compared, however, with first quarter statements of last year each bank shows a marked expansion of both deposits and Government bond holdings.

The following tabulations show deposits and Governments for 16 New York City banks as reported on March 31, 1943, balance sheets, compared with balance sheets for Dec. 31, 1942, and March 31, 1942. In the aggregate, deposits are reported lower than their record-breaking totals of December 31 by $795,190,000, or 4.1%. On the other hand, Governments aggregate higher by $136,687,000, or 1.3%.

TABLE I

	DEPOSITS—$(000)		
	3-31-42	12-31-42	3-31-43
Bank of Manhattan	$744,134	$939,413	$862,297
Bank of New York	283,983	362,733	308,698
Bankers Trust	1,255,702	1,504,658	1,434,002
Chase National	3,628,257	4,291,467	4,203,291
Chemical Bank & Trust	1,009,609	1,199,430	1,041,405
Commercial National	157,415	187,641	174,568
Continental B. & T.	89,604	96,760	98,335
Corn Exchange	423,097	532,799	512,996
First National	776,149	887,300	882,707
Guaranty Trust	2,256,852	2,698,262	2,666,261
Irving Trust	780,518	928,494	888,494
Manufacturers Trust	998,156	1,322,421	1,344,604
*National City	2,963,806	3,671,307	3,444,950
New York Trust	535,323	628,777	596,585
Public National	187,739	243,399	243,970
Sterling National	41,704	67,091	63,101
Total	$16,132,048	$19,561,952	$18,766,762

*Includes City Bank Farmers Trust.

TABLE II

	U. S. GOVERNMENTS—$(000)		
	3-31-42	12-31-42	3-31-43
Bank of Manhattan	$175,454	$424,371	$392,725
Bank of New York	117,995	202,766	183,155
Bankers Trust	539,901	711,606	770,193
Chase National	1,417,883	2,327,748	2,403,236
Chemical Bank & Trust	328,050	536,810	509,561
Commercial National	70,789	115,658	120,537
Continental B. & T.	8,743	33,368	40,371
Corn Exchange	194,079	324,312	332,582
First National	440,377	620,757	640,760
Guaranty Trust	1,040,617	1,692,373	1,827,662
Irving Trust	300,318	572,672	570,049
Manufacturers Trust	319,911	635,564	676,985
*National City	1,263,418	2,114,344	1,980,399
New York Trust	223,755	326,996	333,370
Public National	51,352	130,495	128,557
Sterling National	4,996	32,379	28,744
Total	$6,497,638	$10,802,219	$10,938,906

*Includes City Bank Farmers Trust.

It will be noted in Table I that all but three of the banks report lower deposits, and in Table II that nine banks added to their holdings of Governments, inclusive of seven which lost deposits during the quarter. The principal drain on deposits was heavy Treasury withdrawals from war loan accounts, while the issue of Treasury checks to war industries in the New York metropolitan district was inadequate as an offset.

It is of interest to observe that whereas Government holdings represented 40.3% of deposits on March 31, 1942, on Dec. 31, 1942, they represented 55.2% of deposits and on March 31, 1943, 58.3%.

Table III shows the first quarter earnings for 1943, compared with the first quarter of last year, as calculated from the balance sheets.

All but three of the banks show higher earnings; Bank of Manhattan and Corn Exchange show no change, while First National shows a 3% decline. So-called "indicated earnings" are not necessarily the equivalent of operating earnings and they are not always strictly comparable, quarter by quarter. For example, many of the banks, in view of today's uncertainties, are crediting relatively large amounts to reserves for taxes and contingencies which otherwise would appear in the undivided profits account. Whether such reserves are adequate or inadequate will not be known until later in the year, consequently a number of adjustments are likely to have to be made in the fourth quarter. On average, indicated earnings are approximately 26% higher than they were in the first quarter of 1942, which is not surprising in view of the banks' earning assets being some 33% larger.

Table III, in addition, shows the book value per share of each bank, as of March 31, 1943, and March 31, 1942.

During the Treasury's "Victory Fund" drive of last December, New York City's leading commercial banks added in excess of $2,500,000,000 to their holdings of Government securities, comprising 1¾% Treasury bonds of '48, ⅞% Certificates of Indebtedness and Treasury bills. The next drive to sell bonds occurs this month, with a goal set at around $13,000,000,000. But greater emphasis is being placed on subscriptions from non-banking sources, especially individuals, as a check against inflation. Nevertheless a fairly large proportion will of necessity have to be absorbed by the banking system, although possibly not as high as the 39.2% of the December drive. Issues available to the commercial banks are the 2% Treasury Bonds of 1952, and the ⅞% Certificates of Indebtedness, due April 1, 1944. Thus it is clear that the June 30 balance sheets of the commercial banks of New York City, and of other cities, will show further substantial expansion in their reported holdings of Government securities.

TABLE III

	Indicated Earnings Per Share 1942, 1st Quarter	1943, 1st Quarter	Book Value Per Share 3-31-1942	3-31-1943
	$	$	$	$
Bank of Manhattan	.30	.30	23.83	24.38
Bank of New York	3.97	5.58	342.32	350.63
Bankers Trust	.61	.76	44.74	46.48
Chase National	.36	.58	32.92	33.77
Chemical Bank & Trust	.55	.62	39.68	40.40
Commercial National	2.84	3.45	230.76	236.87
Continental B. & T.	.25	.40	21.49	22.13
Corn Exchange	.80	.80	47.45	48.38
First National	17.69	17.14	1200.48	1217.58
Guaranty Trust	3.00	4.00	310.52	314.94
Irving Trust	.16	.18	20.85	21.02
Manufacturers Trust	.91	.92	37.48	39.80
*National City	.38	.50	32.17	33.22
New York Trust	1.26	1.38	82.15	84.57
Public National	.67	.69	45.44	46.82
Sterling National	.23	.48	67.17	72.20

*Includes City Bank Farmers Trust.

Insurance Stock Earnings

An interesting bulletin on 1942 earnings and statistical comparison of insurance stocks has just been issued by Laird, Bissell & Meeds, 120 Broadway, New York City, members of the New York Stock Exchange. Copies of this bulletin are available on request from Laird, Bissell & Meeds.

Fire & Casualty Ins. Data Comparison Interesting

Interesting comparative data on principal fire and casualty insurance stocks, covering operations for 1942, and other pertinent information, may be had upon request from Mackubin, Legg & Company, 22 Light Street, members of the New York and Baltimore Stock Exchanges.

Investment Trusts

A. D. 1950

The year 1921 marked the low point for stock prices during the Twenties. In the Thirties the bottom came in 1932. There is good reason to believe that we have already passed the low point for the Forties—that the bottom was reached in April of last year.

However, the present decade cannot be compared with either the Twenties or the Thirties. Already it dwarfs them both by the sheer magnitude of events. Forces have been set in motion in the fields of politics, economics and science which are clearly shaping the Forties into a period without precedent in world history. The answer to the riddle of the future does not lie so much in the record of the past, but in the understanding and projection of present trends.

It appears reasonably certain that by the time the war is won, currency in circulation in this country will have reached a total of $25,000,000,000. In 1929 we managed to get along quite comfortably on approximately $4,000,000,000. Our Federal debt after the war will likely be in excess of $200,000,000,000 — how much more not even the New Deal knows. But whatever the figure is, it will make our 1929 Federal debt of $16,000,000,000 look like chicken feed.

We have heard so much talk of billions in recent years that figures have begun to lose their meaning for many of us. And yet the investment company sponsor who has spent the best (to say nothing of the toughest) years of his life building up a $10,000,000 fund will have a reasonably clear conception of the expansion that is taking place. It means more money in more people's pockets than ever before. And that capital will be seeking employment under greater pressure than ever before. Money that is plentiful and declining in purchasing power is the "hottest" commodity known to man.

Such a situation could easily end in catastrophe—**if the United States were to lose the war!** Since even Hitler is beginning to doubt that eventuality, the prospect is for stabilization at a higher price level. And despite all attempts to "plan" that level in advance, the probabilities are strong that it will be determined largely by the amount and kind of expansion that takes places in our financial structure.

Things will be forth more in terms of dollars! What a golden opportunity for the investment company field! By investing their shareholders' dollars in the productive wealth of the nation—the industries that are making it possible for us to win the war—investment companies can protect the purchasing power of the capital entrusted to their management.

With such a service to offer and such a prospect for the future, it is high time that investment company sponsors shook off every vestige of the "mental conditioning" they have undergone in the past and began to think clearly in terms of the future. Is a billion-dollar investment company out of reach? Is a ten-billion-dollar investment company fantastic? Unless the industry raises its sights to these "fantastic" levels and makes the kind of effort worthy of such a goal it is likely to find itself confronted with a fifty-billion-dollar Government investment trust! The supply of and demand for capital in the post-war world will justify undertakings aggregating this amount.

We're placing our bets on the investment companies to meet this challenge. Structurally, they are well-designed to fill the requirements of many types of probable post-war financing. Where more flexibility is desirable, they will no doubt find ways to create such flexibility.

And to return to the present market as an illustration of a trend: Many people have wondered why it has refused to go down for so long. Others have pointed to the absence of margin buying—the unusually high percentage of "cash" business—as a possible reason for the sustained strength. Could it be that investment company purchases over the past 11 months have had anything to do with this trend? We happen to know that the industry has been doing a whale of a lot of new buying during this period—and, incidentally, at what may prove to be the lowest level of the entire Forties!

Retail Sales Tax More Effective Than Spendings Tax Says Prof. Magill

A retail sales tax would be more effective than a spendings tax, Prof. Roswell Magill, former Under Secretary of the Treasury, says in a study of "The Impact of Federal Taxes," published by the Columbia University Press. According to Prof. Magill, who is a member of the Columbia Faculty of Law, "it seems likely that with greatly increased employment in the war more income goes into the hands of persons with $5,000 or less; and hence that the increased buying power which must be diverted into savings, or absorbed by taxes, is in this enormous income group." He is indicated as adding:

"If so, the spendings tax, as it was proposed, is not much better a device than the income tax for combating inflation, for, like the income tax, it would have little effect upon the buying power of the mass of consumers. It was aimed at the wrong target. A retail sales tax seems to be better designed to meet present necessities."

A sales tax by itself is not the best measure of tax-paying capacity, for purchases of goods do not increase proportionately with income, Magill points out. He goes on to say:

"It is unlikely that a man with a $10,000 salary buys five times as much tobacco and liquor and groceries as a man with $2,000; and it is clear that a man with a $50,000 income does not buy 25 times as much. To express the same proposition another way, the proportion of income saved and not spent is apt to increase with the size of the income. The limitation of the tax to sales of so-called luxuries is not of much use, for in this country automobiles, fur coats, and jewelry are pretty widely distributed among all classes of the population.

"Notwithstanding these facts, the case for a general retail sales tax today rests on solid grounds. The Federal tax structure consists to a large extent—some 73% —of taxes measured by incomes, estates and gifts.

"Viewed as a whole, the system is sufficiently geared to capacity to pay. In times like these, every citizen may properly be called on to pay some of the cost of our Army, Navy and Federal establishment, for it serves all alike. Administratively the collection of an income tax from persons with small cash incomes, like some farmers and laborers, is difficult or impossible.

"It has been estimated that in 1941 the total net income of individuals was around $90,000,000,000. Of this, $28,000,000,000 to $31,000,000,000 was received by persons who filed no income tax returns; $45,000,000,000 to $48,000,000,000 by persons with less than $5,000 net income, who paid $700,000,000 income tax; and $14,600,000,000 by persons receiving over $5,000 who paid $2,800,000,000 of income taxes.

"Nearly 81% of the tax was paid by the latter group, who received about 16% of the income. The income tax did not reach at all, or touched lightly, a large segment of the national income. The increasing buying power which will cause undesired increases in living costs comes largely from this source. Although the 1942 law lowered exemptions and raised rates, it has not cured the situation. A general sales tax would be a real help in combating inflation."

Gerald Loeb Stresses Exch. Volume Still Low

Lest we lose our sense of proportion, the 36,900,000 shares of stock traded in on the Nork York Stock Exchange in March, far from being "high" is, in fact, only slightly above the 33,000,000 shares traded in March, 1932, when the country was in the depths of depression.—G. M. Loeb, E. F. Hutton & Co.

NYSE Nominating Com. Gets Names For Slale

The New York Stock Exchange Nominating Committee for 1943 has received the names of 76 suggested nominees for the positions to be filled at the annual election of the Exchange on May 10. The slate of nominees will be posted on April 12. The list of nominees suggested follows:

Chairman: Austin Brown, Dean Witter & Co.; John A. Coleman, Adler, Coleman & Co.; George R. Kantzler, E. F. Hutton & Co.; Raymond Sprague, Raymond Sprague & Co.; and Henry V. Harris, Harris, Upham & Co.

Robert P. Boylan, at E. F. Hutton & Co., former Vice Chairman of the Stock Exchange, has also been suggested for the post of Chairman, but he has withdrawn his name. Mr. Brown and Mr. Sprague have also withdrawn. Robert L. Stott, the present Chairman, is not a candidate for re-election.

FOUR GOVERNORS who shall be members of the Exchange residing and having their principal places of business within the Metropolitan area of the City of New York:

William K. Beckers, Spencer Trask & Co.; Sydney P. Bradshaw, at Clark Dodge & Co.; Robert Cluett, 3rd, Burton, Cluett & Dana; E. Burd Grubb, Coggeshall & Hicks; Ernest L. Jones, Mallory, Hollister & Co.; Stephen A. Koshland, Carl M. Loeb, Rhoades & Co.; Sylvester P. Larken, at P. P. McDermott & Co.; William P. O'Connor, McDonnell & Co.; Henry Picoli, F. H. Douglas & Co.; Sidney Rheinstein, at Stern, Lauer & Co.; John Rutherfurd, at Foster, Brown & Co.

Others suggested are Mr. Boylan, Raymond Chauncey of Chauncey & Co.; and Arthur G. Somers of Somers & Somers. Also Arthur F. Broderick, J. S. Bache & Co.; Austin Brown, Dean Witter & Co.; Clinton S. Lutkins, R. W. Pressprich & Co.; Harold C. Mayer, Bear, Stearns & Co.; Rudolph Nadel, Mabon & Co., and Homer Vilas of Cyrus J. Lawrence & Sons.

Also Robert D. Danks, Ernst & Co.; Hartley C. Davidson, Henderson, Harris & Co.; James J. Gurney, Breining & Co.; William B. Haffner, Wilcox & Co., and Walter W. Stokes, Jr., Stokes, Hoyt & Co.

Messrs. Beckers, Broderick, Cluett, Mayer, Picoli, Rutherford and Vilas have withdrawn their names.

THREE GOVERNORS who shall *be allied members or non-members residing and having their principal places of business within the Metropolitan area of the City of New York, who shall be general or limited partners in member firms engaged in a business involving direct contact with the public:*

Henry C. Breck, J. & W. Seligman & Co.; John C. Maxwell, Tucker, Anthony & Co.; John A. Morris, Gude, Winmill & Co.; Radcliffe Swinnerton, R. Swinnerton & Co.

Others named are F. Malbone Blodget, Spencer Trask & Co.; Maynard C. Ivison of Abbott, Proctor & Paine; Harold T. Johnson, Jas. H. Oliphant & Co.; Emmett Lawshe, Shields & Co.; Alfred J. Ross, Dick & Merle-Smith; and Herbert Spendlove, L. S. Kerr & Co.

Also Herbert F. Boynton, F. S. Moseley & Co., and Irving D. Fish, Smith, Barney & Co.

Messrs. Blodget, Bush and Ivison have withdrawn their names.

TWO GOVERNORS who shall be members or allied members or non-members of the Exchange residing and having their principal places of business outside of the Metropolitan area of the City of New York, who shall be general or limited partners in member firms engaged in a business involving direct contact with the public, of whom not less than one shall be a member of the Exchange:

H. Prenatt Green, G. H. Walker & Co.; Chauncey J. Hamlin, Hamlin & Lunt; Edgar Scott, Montgomery, Scott & Co.

Additions to this list are: Harold Bache, J. S. Bache & Co., Engene Barry, Shields & Co., Henry L. Bogart, Eastman, Dillon & Co., Prescott S. Bush, Brown Brothers, Harriman & Co., Arthur B. Lawrence, F. S. Smithers & Co., Walter Stillman, Stillman, Maynard & Co. and Robert H. White, Asiel & Co.

Also Clarence H. Clark, E. W. Clark & Co.; R. W. Courts, Jr., Courts & Co.; Michael J. O'Brien, Paine, Webber, Jackson & Curtis; and Ledlie W. Young, A. E. Masten & Co.

Mr. Stillman and Mr. White have withdrawn their names.

Nominating Committee

FIVE MEMBERS OF THE NOMINATING COMMITTEE, three of whom shall be members and two of whom shall be allied members of the Exchange:

Members: John J. McKeon, Chas. W. Scranton & Co.; John B. Shethar, at Wellington & Co.

Other members suggested are: Edwin A. Cowen, Cowen & Co.; Fairman Dick, Dick & Merle-Smith, Lawrence Swift, Foster & Adams; Leonard Wagner, Wagner, Stott & Co.; William B. Bohen, Baker, Weeks & Harden, and Charles Sievers, Barrett & Co. Mr. Shethan and Mr. Wagner have withdrawn their names.

Allied Members: Herbert Boynton, F. S. Moseley & Co.; Irving D. Fish, Smith, Barney & Co.; William H. Combs, Combs, Maxwell & Potter, and John H. Kitchen, George D. B. Bonbright & Co.

Others suggested are: David S. Foster, Pershing & Co.; Alfred B. Mackay, at Dominick & Dominick; Joseph G. Osborne, Hayden, Stone & Co.; James G. Purcell, Nugent & Igoe; and Arnold Wood, Jr., Labranche & Co.

Also F. Edward Bosson, Putnam & Co., Hartford, Conn., and Lester Watson, Hayden, Stone & Co., Boston, Mass.

Robert W. Keelips is Chairman of the Nominating Committee for 1943 and Coleman B. McGovern is Secretary. Other members are Charles S. Garland, Ranald H. Macdonald and Charles A. Sulzbacher.

Chase Invites Tenders On New South Wales 5s

The Chase National Bank of the City of New York is inviting tenders for the sale to it of an amount of State of New South Wales, Australia, external 5% sinking fund gold bonds due April 1, 1958, sufficient to exhaust the sum of $217,820. Tenders will be accepted at prices not exceeding par and accrued interest and will be opened at 12 o'clock noon on April 7, 1943, at the Corporate Trust Department of the bank, 11 Broad Street, New York.

Walter Lambert Dead

Walter Rittenhouse Lambert died at his home of a heart attack. Mr. Lambert was head of the bond department of Finch, Wilson & Co., New York City, members of the New York Stock Exchange.

Offers Pre-Induction Training To Wall St. Men Facing Draft

An interesting course in military strategy and tactics is offered to Wall Street men facing induction into the armed forces by the Queens Own Guards.

The advantages offered to men of military service age by the Volunteer Officer Candidate Plan apparently were terminated on February 22. This means that, with the exception of the opportunity offered to young men under the age of 20 to participate in the competitive examination to gain instruction and training in the colleges of the nation, comparatively few men now civilians will be given preferred status in securing commissions in our military and naval program. Moreover, due to the adjustments in the age ranges for military service and the growing demand for an enormous armed force, now more than ever before in the history of our country intelligent, ambitious men must become aware of the situation confronting them.

An analysis of the circumstances discloses that the best course for one desirous of securing a commission is to participate in pre-induction military training. Several organizations devoted to this purpose have been in operation throughout the metropolitan area.

Queens Own Guards, which has conducted instruction and drills every Friday night since Sept. 26, 1941, at 7:45 p.m. in the boys' gym of the Jamaica High School, 167-01 Gothic Drive, Jamaica, New York, which may be reached via the Independent Subway, has had outstanding success in its accomplishments. Endorsed by prominent citizens of Queens County, New York, its staff of instructors and drillmasters includes World War A. E. F. Army and Marine officers and non-commissioned officers, graduates of Plattsburgh Training Camps, members of the National Guard and the State Guard. It has conducted instruction in the new I. D. R., the new manual of arms, map and compass reading, radio communication, physical culture and lectures on diverse subjects of military importance, such as military courtesy and administration. Rifle marksmanship is taught Wednesday evenings at the range of the 77th Division Veterans' Clubhouse, 28 East 39th Street, New York City. Approved army methods are employed. Rifle slings are used. Those participating pay 75 cents an evening for ammunition, individual targets, use of rifles, electrical instructional sighting devices and facilities of the clubhouse. Attendance is optional. Teams have scored genuine success in intra-State competition.

Although complete reports are lacking, at least 20 of its graduates are commissioned officers and it has innumerable non-commissioned officers to its credit. The reason for the enviable success of the organization is apparent when it is learned that the emphasis on all of its activities is in the development of the individual's leadership. With the rapid growth of the armed forces it is evident that there is an urgent demand for those who have had basic instruction and experience in command.

The Queens Own Guards has attempted to maintain liaison between its graduates and the organization for the purpose of giving further advice to men already in the Service when they are confronted with problems requiring suggestions from experienced veterans. Realizing the value of its activities in connection with the war effort the committee has decided to donate all of its equipment and records to some historical society at the termination of its operations.

Alert Wall Street men facing induction will readily recognize the value of this training. They will be interested to know that some men active in the financial district are taking an active part in this unit. Never before has such slight investment in time and effort paid such enormous dividends. The latter include increased pay, more congenial assignments, increased prestige.

Those interested in the significance of war events and who would like to hear intelligent discourses on strategy and tactics and receive R. O. T. C. Military Science instruction will also be pleased to learn that a group has been meeting at 12:15 every Tuesday at Au Coq D'Or, 129 Maiden Lane, New York City, to hear George Chase Lewis, Colonel, Inf., U. S. Army, widely known officer, scholar and educator. Both veterans and young men are in the group. A substantial number of former members are now commissioned officers. This luncheon group has met continuously since Feb. 3, 1942.

No obligations are involved in membership in either the Queens Own Guards or the Tuesday Luncheon. The purpose of both organizations is the same: Preparedness for non-combatant as well as combatant branches of the Service.

More Freight Cars On Order By Roads March 1

Class I railroads on March 1, 1943, had 19,329 new freight cars on order, the construction of which had been authorized by the War Production Board, the Association of American Railroads announced on March 22. This included 8,953 hopper, 8,428 gondolas, 1,745 flat, 60 plain box cars and 143 miscellaneous freight cars. On Feb. 1, last, they had 19,281 cars on order, and on March 1, 1942, a total of 70,602 cars.

The Class I railroads also had 499 new locomotives on order on March 1, this year, compared with 651 on the same day in 1942. The number on order on March 1, 1943, included 352 steam and 147 electric and Diesel contrasted with 300 steam and 351 electric and Diesel one year ago.

The Class I railroads put 2,996 new freight cars in service in January and February compared with 17,405 in the same month last year. Those installed in the first two months of 1943 included 1,109 hopper, 1,001 gondola, 700 flat, 135 automobile box, 24 plain box and 27 miscellaneous freight cars.

New locomotives put in service in the first two months of this year totaled 99, of which 83 were steam and 16 were electric and Diesel. New locomotives installed in the same period last year totaled 115, of which 46 were steam and 69 were electric and Diesel.

Kansas And Texas Enact Union-Control Legislation

The States of Kansas and Texas have recently enacted laws providing for regulation of labor unions by requiring such bodies to file annual reports of their operations to include itemized statements of all receipts and expenditures. These reports must be submitted to the respective Secretaries of State. As each measure is drawn along the same general lines, their scope and basic nature can be readily ascertained from the extracts, given below, of the brief synopsis of the Kansas statute which was issued under date of March 27 by the Wichita, Kansas, Chamber of Commerce. Kansas, incidentally, was the first State to enact a measure of this character, the effective date of which is May 1, 1943. The Texas bill was approved by the State Legislature on March 25 and was then forwarded to Governor Coke Stevenson. Opponents of the respective laws charged that they were intended to destroy organized labor; proponents contended the measures were designed to protect the laboring man and responsible unions.

Excerpts from the analysis of the Kansas bill follow:

Rights of Employees

Guarantees to the worker the right to organize for collective action and to join a union of his own choice.

Guarantees to the worker the right to work and the right to refrain from joining any labor organization if he so desires.

Guarantees to workers and to labor organizations the right to strike.

Guarantees to the union member the right to vote at elections held in consonance with the constitution and by-laws of the labor organizations, and prohibits labor leaders from suspending such elections.

Guarantees to union members the right to secret ballot.

Guarantees to the worker member of any labor organization the right of petition.

Prohibits the collection of excessive dues and fees from union members. Excessive dues and fees are construed to be any in excess of those called for by the constitution and by-laws as filed with the Secretary of State.

Protects the worker against unauthorized strikes. An unauthorized strike is held to be any strike not called by a majority vote of the workers affected thereby.

Protects the employee from coercion, intimidation or retaliatory action by employer.

Protects the employee from coercion, intimidation, or retaliatory action by the union leaders.

Requires that the labor organization shall file with the Secretary of State a list of the duly elected union officials, the salaries, bonuses and other remuneration paid each, a complete copy of the constitution and by-laws, and a complete statement of receipts, disbursements, assets and liabilities.

Prohibits the employer from dominating or interfering with the formation or administration of any labor organization, or contributing financial or other support to it.

Prohibits the picketing of any employee's domicile or injury to the person or property of any employee or his family.

Guarantees that no worker shall be discharged or otherwise discriminated against by an employer by reason of the filing of charges or giving of testimony under this Act.

Guarantees to the worker upon termination of employment a service letter setting forth his tenure of employment, occupational classification and the wage rate received by him.

Rights of the Employers

Protects the employer against unauthorized strikes.

Protects the employer's property by outlawing "sit-down" strikes.

Protects the employer against the unlawful seizure of his property.

Protects the interests of the employer in negotiations with the employee by requirement that business agents be licensed.

Protects the employer against stoppage of work by making it unlawful for employees to refuse to handle, install, use or work on particular materials, equipment or supplies because not produced, processed or delivered by members of a labor organization.

Rights of the Public

Labor organizations are made amenable to the law and responsible for their acts. In order to accomplish this, complete information regarding the financial affairs of the union, its duly authorized representatives, and its rate of fees and dues must be filed with the Secretary of State as a public record.

Picketing beyond the area of the industry within which a labor dispute arises is prohibited.

Picketing by force and violence is prohibited.

Picketing in such a manner as to prevent ingress and egress to and from any premises or in other than a peaceable manner is prohibited.

Radical foreign elements are prohibited from dominating labor organization affairs by the provision which requires that all business agents must be citizens of the United States.

Business agents are brought within the control of the law and of the courts by the requirement that they be licensed by the state.

Calling of strikes by reason of any jurisdictional dispute, grievance or disagreement between or within labor organizations is prohibited.

Labor organizations are made responsible for their unlawful acts and damage caused thereby, and the law provides that suits may be maintained against labor organizations and judgments may be enforced against the common property of such labor organizations.

Penalties

Violations of the act are deemed misdemeanors and are punishable by both fine and imprisonment as in the violation of other laws.

Curb Exchange Requires Cash For Purchases Of Low-Priced Securities

The Board of Governors of the New York Curb Exchange, at a special meeting on March 30, amended its margin rules with respect to stocks selling below $5 a share and bonds which sell at less than 5% of par. The new amendment provides that such securities must be purchased for cash only; that they may not be bought on margin. The announcement of the Exchange states:

"The rule applies not only to public customers of member firms but to individual members and their partners in trading for their own account, with one exception: In order that specialists may not be handicapped in meeting their obligations to maintain orderly markets, the rule does not apply to them. The effective date of the amendment is April 1, and purchasers of securities in this category before that date have until June 1, 1943, to make full payment."

Earlier action by the New York Stock Exchange in the matter was noted in our issue of April 1, page 1205.

Bankers Made Directors Of National War Fund

The National War Fund Board of Directors, which was announced on April 1 by Winthrop W. Aldrich, President of the Fund, includes the following members from the banking world:

Charles F. Adams, Chairman of the Board of the State Street Trust Co. of Boston; Jean B. Adoue, Jr., President, National Bank of Commerce, Dallas, Tex.; Raymond N. Ball, President, Lincoln-Alliance Bank and Trust Co., Rochester, N. Y.; Philip A. Benson, President, Dime Savings Bank of Brooklyn; J. Herbert Case, Director, City Bank Farmers Trust Co., New York; Walter J. Cummings, Chairman of the Board, Continental Illinois National Bank and Trust Co., Chicago; Byron M. Edwards, President, The South Carolina National Bank, Columbia, S. C.; Charles T. Fisher, Jr., President, National Bank of Detroit; Robert M. Hanes, President, Wachovia Bank & Trust Co., Winston-Salem, N. C.; Gordon S. Rentschler, Chairman of the Board, National City Bank of New York; Tom K. Smith, President, Boatmen's National Bank, St. Louis, Mo.; M. S. Szymczak, Board of Governors, Federal Reserve System, Washington, D. C.

The National War Fund will undertake to raise and distribute adequate funds to meet the reasonable requirements of all approved war-related appeals, except the Ameircan Red Cross, through co-ordinated campaigns to be held next Fall, it was explained by Mr. Aldrich, who is also Chairman of the Board of the Chase National Bank of New York.

Thus, for the first time, it is pointed out, the people of the United States will have the opportunity to contribute in a single campaign for services for our fighting forces, for war relief for our Allies and for needs on the home front.

In addition to Mr. Aldrich as President and Mr. Rentschler as Treasurer, the officers of the National War Fund include Ralph Hayes, Wilmington, Del., as Secretary; Gerard Swope, New York, as Chairman of Budget Committee, and Henry M. Wriston, Providence, R. I., as Chairman of Public Relations Committee.

Participants in the National War Fund will be decided by the Board of Directors, who will act on recommendations of the Budget Committee, headed by Mr. Swope, and will consult with the President's War Relief Control Board. Preliminary membership now includes the USO; The British War Relief Society, Inc.; United China Relief, Inc.; The Queen Wilhelmina Fund, Inc.; Greek War Relief Association, Inc.; Polish War Relief, Inc.; Russian War Relief, Inc.; United Yugoslav Relief Fund; American Social Hygiene Association, Inc.; War Prisoners Aid Committee, YMCA; World Emergency and War Victims Fund; YWCA; U. S. Committee for the Care of European Children; United Seamen's Service, Inc.; French Relief Fund, Inc.; Norwegian Relief; The Belgian Relief Society, Inc; National CIO Committee for American and Allied War Relief; United Nations Relief of the A. F. of L.; Refugee Relief Trustees, Inc.

In those cities where there are community chests already organized, Mr. Aldrich said, the National War Fund will work in conjunction with the Chests in their annual campaigns.

LeGost To Aid State Savings Campaign

Urbain C. LeGost has resigned his connection with Edwin Bird Wilson, Inc., advertising counsel, to join Edward B. Sturges, 2nd, Inc., to assist in the public relations work for the Savings Banks Association of New York and the State-wide campaign for the promotion of savings and thrift.

Mr. LeGost resigned from the Association last April and became affiliated with E. B. Wilson, Inc., as a specialist in mutual savings bank promotion. Now he is joining Mr. Sturges to take over the motion picture distribution formerly conducted by Norman L. Connard, who is now in the officers' training group of the United States Army, and in addition, to assist in the general public relations activities of the savings banks, particularly the State-wide advertising campaign.

McGinnis Opens Course On Receivership Rails

Patrick B. McGinnis of Pflugfelder, Bampton & Rust began a series of lectures on "Receivership Rails" at the New York Institute of Finance, 20 Broad Street, New York, on April 5. This series of lectures will run for 15 weeks.

Mr. McGinnis is considered Wall Street's best-known authority on reorganization rail securities. This is the third series of lectures given by him at the Institute.

Also opened on April 5 are advanced investment analysis courses covering the Oil Industry and Public Utility Operating Companies, as well as the more elementary courses in Basic Stockbrokerage Procedure, Work of the Cashier's and P. & S. Departments, and Practical Application of Stock Transfer Taxes.

The New York Institute also announces a new edition of "Educational Tests for New York Stock Exchange Member Firm Employees," revised as of Feb. 1, 1943. This is a 34-page booklet of questions and answers covering all subjects included in the New York Stock Exchange Registered Employee Examination. Price of the booklet is $1.00 including tax.

Francis T. Phillips Dies

Francis T. Phillips, president of The Francis T. Phillips Company of Waterbury, Conn., died at the Waterbury Hospital after a brief illness. Mr. Phillips was an officer and director of the Phillips & Benjamin Company, the Anderson & Phillips Company, and Traders, Inc. He served as an officer in the first World War, rising to the rank of lieutenant colonel.

Interest On Rio 6s

The City of Rio de Janeiro, Federal District of the United States of Brazil, has remitted to its special agents funds for the payment of interest for the six months ended April 1, 1941, on its five-year 6% external secured gold bonds due April 1, 1933, at the rate of $4.875 per $1,000 bond, or 16.25% of the dollar amount of such interest. These funds have been remitted in accordance with provisions of Presidential Decree No. 23829 of Feb. 5, 1934, as re-enacted and modified by Decree Law No. 2085 of March 8, 1940. The announcement adds:

"Cash payment at this rate, to be in full payment of the interest due April 1, 1941, is now being made upon presentation of the bonds at the offices of the special agents, White, Weld & Co., 40 Wall Street, New York, or Brown Brothers Harriman & Co., 59 Wall Street, New York."

New Cotton Exch. Member

The election of William W. Kirby, of Manget Brothers Co., Newnan, Ga., to membership in the New York Cotton Exchange was announced on March 25 by Robert J. Murray, President of the Exchange. Mr. Kirby is a member of the Chicago Board of Trade and Liverpool Cotton Association. His election to membership brings the total number of Georgians bolding membership on the New York Cotton Exchange to 15.

Frederick Liebert Dead

Frederick W. Liebert died of a heart attack at Fort Leavenworth, Kansas, where he was attending a civilian orientation course for industrial leaders to familiarize business executives with the Army's problems. Mr. Liebert was vice-president of John Nickerson & Co., Inc., New York City.

N. Y. Bank Ratio Of Profits To Capital Funds Down In 1942 Although Holdings Of Govts. Up

The average ratio of net profits to total capital funds for all member banks in the Second (New York) Federal Reserve District declined by one-fifth from 1941 to 1942, even though they enlarged their holdings of Government securities considerably, according to the New York Reserve Bank's annual compilation, issued the latter part of last month. The average rate was 4.4% in 1942, as compared with 5.5% in 1941.

The reduction in net profits, the Bank says, "appears to have been chiefly the result of increased expenses—larger disbursements for salaries and wages, some increase in taxes, and increases in other expenses, including Federal Deposit Insurance Corporation assessments against the increased volume of deposits—which were only partially offset by reduced interest payments on time deposits. Another factor was a considerable reduction in recoveries and profits taken on securities sold, reflecting the more stable market conditions which prevailed during 1942, especially for Government securities."

The announcement concerning the figures, made public by Allan Sproul, President of the Reserve Bank, further explains:

"Bank earnings were affected also by a lower average rate of return on their assets, which for many groups of banks more than offset the effects of an increased volume of earning assets. There were repayments of loans, on which relatively high interest rates had been received, especially by the smaller banks, while the increased investments in Government securities yielded lower rates of return. As a result of this type of shift in earning assets, the most severe shrinkage in net current earnings and in net profits appeared in the smallest banks. The large banks in New York City and in other parts of the District were an exception to the general rule; their average rates of income on earning assets, which were already at low levels, showed little further shrinkage, and their expense ratios did not increase as much as those of the smaller banks. Furthermore, the loan volumes of the large New York City banks were well maintained (probably because of substantial participations in large loans to war contractors). Consequently, contrary to the general trend, New York City banks with deposits over $100,000,000 showed an increase from 5.6 to 6.0% in the ratio of net profits to total capital funds and banks outside New York City with deposits over $20,000,000 showed an increase in their average rate of profits from 4.5 to 5.4%.

"Average net current earnings for all groups of banks, before charge-offs, declined from 7.1% of capital funds in 1941 to 6.1% in 1942, the lowest figure in the 11 years for which this ratio has been computed. The ratio of net current earnings to total assets also declined to a new low level, falling from 0.9% in 1941 to 0.6% in 1942. Here again the smaller banks showed the largest reductions in these ratios.

"Member banks in this District generally showed a tendency to follow conservative policies with respect to their dividend declarations in 1942. The large New York City banks and the largest banks outside New York City, which in recent years had been paying the highest dividend rates on their capital funds, reduced their dividend disbursements in the aggregate in 1942. In other groups of banks, where dividend disbursements already were at lower rates, there was little change.

"The rapid growth in the percentage of total assets invested in securities was accompanied by a further decline in the proportion of cash assets, despite the reduction in loans. This expansion in investments and the accompanying growth in deposits are reflected in further declines in the ratios of capital accounts to earning assets, and to deposits."

Morgenthau Warns US To Guard Against Post-War Inflation

Secretary of the Treasury Morgenthau said the latter part of last month that the nation must be on guard against post-war inflation because of "a strong probability" of a rapid industrial revival after the war.

Associated Press Washington advices reporting his remarks, stated:

A backlog of post-war purchasing power and accumulated demands for consumers goods and services, he said, will speed the conversion of war industries to peace-time production and the development of new industries.

"What this involves for the American people is fairly clear," Mr. Morgenthau said in a statement. "It means that we must reorient our wartime ways of doing things, our wartime ways of buying and living, not all at once but gradually; it means we must be on our guard against post-war inflation in the same way that today we are on guard against wartime inflation.

"An intemperate buying spree immediately upon termination of the war might have the same effect as that at the close of the last war when the cost of living spiraled upward 29% between November, 1918, and June, 1920. We must not permit war weariness and the desire to return to 'normalcy' rob us of the very fruits of victory."

According to the same advices, Mr. Morgenthau estimated that by the end of 1944 the national debt will amount to about $210,000,000,000 and will involve interest payments of $4,000,000,000 a year.

Servicing such a debt, he said, will require that "a reasonably full employment with a high national income be preserved in the post-war period."

In The Armed Forces

Allan A. Weissburg, of Weissburg & Co., Chicago, is entering the U. S. Army. Weissburg & Co. will be inactive for the duration.

STANY Fight To Amend Cole Ruling On Incoming Drafts Proves Successful

Since its formation the Tax Committee of the Security Traders Association of New York has been working for the clarification of the New York State Tax laws affecting the securities business. The Association was successful in having altered the old Cole ruling on incoming registered mail items where it was finally determined that such transactions were fully exempt from the payment of the New York State Tax.

The Tax Committee now reports that as of Feb. 16, 1943 Mortimer M. Kassell, Deputy Commissioner and Counsel of the Department of Taxation and Finance of the State of New York, issued a memorandum which is concluded as follows:

"I am of the opinion, where certificates of stock are deposited in the mail or delivered to a common carrier outside the State for transmission into the State to a purchaser with a condition that payment be made before the certificates are released to the purchaser that no tax can be imposed either upon the theory of the passing of title in the State or upon the theory of a delivery into the State. With respect to the delivery theory, it should be pointed out that it is well understood that a taxable delivery is one whereby the transferor parts with title."

This means that the Cole memorandum dated Oct. 27, 1936 no longer applies on incoming drafts which made the payment of this tax mandatory. The STANY has contended that the consummation of business between two firms located in separate states came under the jurisdiction of interstate commerce and, therefore, was exempt from any New York State tax payments. This is an important victory for the trading fraternity located in New York State and should, STANY believes, eliminate any deterrents which heretofore arose when out-of-town firms did not want to trade with New Yorkers since they felt that such trading would subject them to the New York State tax payment.

However, STANY suggests that where an out-of-town firm sells stock to a New York State dealer which is transferred in New York and such New York State dealer acts as an agent for a New York State principal, where it is believed the principal will eventually transfer, to insist that the New York State tax be attached, as otherwise resident brokers of New York State will be liable for the tax.

Result Of Treasury Bill Offerings

Secretary of the Treasury Morgenthau announced on April 5 that tenders for $800,000,000 of 91-day Treasury bills, dated April 7 and to mature on July 7, 1943, which were offered on April 2, were opened at the Federal Reserve banks on April 5.

Details of this issue follow:

Total applied for, $1,104,078,000.
Total accepted, $804,717,000.
Range of accepted bids:
High, 99.925, equivalent rate of discount approximately 0.297% per annum.

Low, 99.905, equivalent rate of discount approximately 0.376% per annum.

Average price, 99.905, equivalent rate of discount approximately 0.374% per annum.

(70% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 7 in amount of $600,104,000.

With respect to the previous week's offering of 91-day bills, dated March 31 and to mature on June 30, Secretary Morgenthau disclosed these results on March 29:

Total applied for, $1,101,144,000.
Total accepted, $805,048,000.
Range of accepted bids:
High, 99.925; equivalent rate of discount approximately 0.297% per annum.

Low, 99.905; equivalent rate of discount approximately 0.376% per annum.

Average price, 99.906; equivalent rate of discount approximately 0.374% per annum.

(66% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills of March 31 in amount of $602,950,000.

Regarding the results of the March 19 offering of bills, dated March 24 and to mature on June 23, the Treasury issued the following details on March 22:

Total applied for, $1,329,871,000.
Total accepted, $802,051,000.
Range of accepted bids:
High, 99.925; equivalent rate of discount approximately 0.297% per annum.

Low, 99.905; equivalent rate of discount approximately 0.376% per annum.

Average price, 99.906; equivalent rate of discount approximately 0.373% per annum.

(37% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on March 24 in amount of $600,709,000.

As to the results of the previous week's offering of $800,000,000 of 91-day bills, dated March 17 and maturing June 16, the Treasury issued the following details on March 15:

Total applied for, $1,302,725,000.
Total accepted, $802,171,000.
High, 99.925; equivalent rate of discount approximately 0.297% per annum.

Low, 99.905; equivalent rate of discount approximately 0.376% per annum.

Average price, 99.906; equivalent rate of discount approximately 0.373% per annum.

Forty per cent of the amount bid for at the low price was accepted.

There was a maturity of a similar issue of bills on March 17 in amount of $600,722,000.

The weekly offering of bills was increased from $700,000,000 to $800,000,000 on March 12 in view of the increase in maturing issues from $500,000,000 to $600,000,000 and the Treasury's desire to continue its present policy of obtaining $200,000,000 weekly in "new money."

Illinois Bankers To Meet In Chicago

The services that banks are rendering in all phases of the war effort and the problems that these services, together with the general effect of the war on all business and individuals, are creating for the banks, will be canvassed and discussed at the 53rd annual convention of the Illinois Bankers Association which will be held at the Palmer House, Chicago, May 26-28.

This announcement was made by Henry G. Bengel, President of the association and Executive Vice-President of the Illinois National Bank, Springfield, Ill., following a meeting of the Executive Committee which met to prepare the program for the convention.

Mr. Bengel stated that the great activity of the banks in the sale of war bonds; their services in connection with handling the accounting for coupon rationing for the Government; their activities in collecting guns for the Navy; participating in all of the civic affairs involved by the demands of war such as OCD, OPA, Draft Boards, scrap drives, community chests, Red Cross, Food-for-Freedom, Victory Loans, and the many other things in which bankers have been asked to take a leading part, coupled with the problems of manpower, the 48-hour week which is now effective in certain sections of the State and will probably be general; the regular service to the customer public; increased deposits and reduced credit demands, have involved the banks in many serious problems of management and operation so that it will be necessary to have four instead of the usual three sessions of the convention.

Mr. Bengel also said that the banks cannot overlook their responsibility in the economic trends, their aid in curbing inflation and a grass-roots understanding of some of the conditions which are discernible as to the future.

FIC Banks Celebrate Twentieth Anniversary

The enormous production of food and fiber needed in 1943 for ourselves and our allies takes more than ability and willingness on the part of the farmer. It takes money—huge quantities of money—and one of the more important suppliers of this essential commodity is the Federal Intermediate Credit Bank system now celebrating its 20th year of service to agriculture. Following World War No. 1, there arose a demand from farmers for a permanent and dependable source of production and marketing credit suited to the needs of agriculture. To meet this demand, the Federal Intermediate Credit Banks were chartered under the Agricultural Credits Act of 1923 for the express purpose of making available to lending institutions a line of credit especially adapted to the business of farming.

One of the first jobs of this system of banks was to prove the desirability and value of the farmers' notes as security for the debentures sold by the banks to the investing public. Through access to a type of credit designed to meet their requirements, farmers demonstrated their ability to pay operating obligations out of farm income. As a result of the splendid repayment record established by farmers, the Federal Intermediate Credit Bank debentures have enjoyed the confidence of the investing public for the past 20 years.

Agriculture uses a lot of credit, and to provide this ceaseless flow of funds from the financial centers to those who lend to farmers, the Federal Intermediate Credit Banks, through the sale of their debentures, reach into the money markets of the nation. This collective borrowing power of thousands of farmers permits a reasonable rate of interest to the farmer and a lower cost of operation for him. While the farmer may be justly proud of this system of agricultural credit which serves him so well, those who purchase Federal Intermediate Credit Bank debentures may also be proud that they too have a stake in the production of the food and fiber so vital to the successful prosecution of the war.

Fraud Charges Withdrawn

Reed V. Bontecou of Albany, James D. Williamson and Charles D. and Stephen H. Scheetz, Newburgh securities dealers, have been cleared of charges of mail fraud, United States Attorney Mathias F. Correa having withdrawn charges filed against them.

Archie H. Carpenter, oil investment broker, who pleaded guilty in another case, is still facing action under the same indictment.

Jan. Gold Output Down To June, 1933 Level

Production of gold in the United States during January was estimated at 147,984 ounces, the lowest point reached since January, 1933, when the total was 143,000 ounces, the American Bureau of Metal Statistics reports.

This sharp decline in gold production is a result of the War Production Board's order of last October when the gold mines were directed to halt operations in order to make the labor and equipment available for mining war-essential metals (referred to in our Oct. 22 issue, page 1437).

The "Wall Street Journal" of March 9 reported the following:

As a result of these influences, U. S. gold production for 1942 totaled 3,618,503 ounces, the smallest annual production since 1934 when the total was 2,916,373 ounces. Domestic gold production in 1941 amounted to 5,980,746 ounces.

Last year Canadian production of approximately 4,800,000 ounces of gold was in excess of the U. S. figure for the first time since 1938 when Dominion output was placed at 2,949,309 ounces against U. S. production for that year of 2,536,913 ounces.

The U. S. January production was divided roughly 52,867 ounces receipts at U. S. Mints and 95,117 ounces from private smelters and refiners, which compared with 61,538 ounces received at U. S. Mints and 105,659 ounces by private smelters and refiners in December, 1942.

H. Hentz Organizes Twenty-Five Year Club

H. Hentz & Co., 60 Beaver Street, New York City, have organized a Twenty-Five Year Club which is presently composed of two of its partners, Jerome Lewine and E. W. Fitzgerald, who have been associated with the firm for close on to 43 years and 40 years, respectively, and six of its employees, Lewis A. Macomber, Fredk. Wm. Hahn, Jr., Jack Levine, John A. Jacob, Henry A. Zoeller and Miss Lila M. Kalb. Two other partners, Dr. Herman S. Baruch and Rudolph Zenker, and another employee, Harold Fink, will become eligible on May 1, and still another employee, Paul Levine, will have completed 25 years of service on June 1 of this year. Ten other employees will become eligible for membership during the year 1944.

The oldest member of the Club, both from point of age and years of service, is Lewis A. Macomber, who became associated with the firm on Dec. 15, 1879.

The firm itself was established in 1856 and has continuously done business under the same name ever since. They are members of the New York Stock Exchange and the New York Cotton Exchange and many other exchanges both in this country and abroad.

CANADIAN PACIFIC RAILWAY COMPANY

Sixty-Second Annual Report of the Directors of Canadian Pacific Railway Company, Year Ended December 31, 1942

To the Shareholders:

The accounts of the Company for the year ended December 31, 1942, show the following results:—

Income Account

Gross Earnings		$256,864,091
Working Expenses (including taxes)		208,676,402
Net Earnings		$48,187,689
Other Income		15,861,034
		$64,048,723
Fixed Charges	$22,955,503	
Interest on bonds of Minneapolis, St. Paul & Sault Ste. Marie Railway Company, guaranteed as to interest by your Company	738,953	
		23,694,456
Net Income		$40,354,267
Dividends on Preference Stock:		
2% paid Aug. 1, 1942—£564,070	$2,521,391	
2% payable Feb. 1, 1943—£564,070	2,521,391	
		5,042,782
Balance transferred to Profit and Loss Account		$35,311,485

Profit and Loss Account

Profit and Loss Balance December 31, 1941		$170,385,936
Balance of Income Account for the year ended December 31, 1942		35,311,485
		$205,697,421
Deduct:		
Loss on lines abandoned and on property retired and not replaced	$3,576,565	
Exchange adjustment in respect of sterling proceeds from steamship sales and insurance recoveries	846,871	
Miscellaneous—Net Debit	23,502	
		4,446,938
Profit and Loss Balance December 31, 1942, as per Balance Sheet		$201,250,483

Net Income for the year amounted to $40,354,267, being $5,992,835 greater than in 1941.

Railway Earnings and Expenses

The comparative results of railway operations were as follows:

	1942	1941	Increase or *Decrease*
Gross Earnings	$256,864,091	$221,446,053	$35,418,038
Working Expenses (including taxes)	208,676,402	175,488,517	33,187,885
Net Earnings	$48,187,689	$45,957,536	$2,230,153
Expense ratios:			
Including taxes	81.24%	79.25%	1.99
Excluding taxes	71.54%	71.65%	*.11*

Gross Earnings increased by $35,418,038, or 16.0%, and were greater than in any previous year in the history of your Company, exceeding those of 1928 by $14,885,630, or 6.2%.

Freight Earnings increased by $18,496,666, or 10.4%. Increases were reported in all commodities except grain. The movement of manufactured goods increased principally as a result of the greatly expanded output of munitions of war. Developments such as the Alaska Highway, the enlarged shipbuilding programme, and the construction of naval depots and airfields at various points also contributed to the growth of freight traffic. The curtailment of ocean and coastal transport owing to the shortage of shipping increased the rail movement of such staples as coal and oil, and restrictions on highway transport contributed to an increase in short haul traffic.

Earnings from grain and grain products decreased $6,041,016, or 15.5%, in spite of the fact that the largest Prairie wheat crop on record—565 million bushels—was harvested this year. The lack of adequate shipping, as well as the closing of important export markets, created serious storage problems at the Lakehead and at other terminal points, thus restricting the movement of grain. Grain handlings on your Company's lines dropped to 181 million bushels as compared with 215 million in 1941 and were somewhat less than the average of 183 million bushels for the fifteen years, 1927-41. At the end of the year, only 10% of the wheat available for movement in the Prairie Provinces had been transported, and there remained to be shipped approximately 570 million bushels, or 80% more than at the close of 1941.

Revenue freight traffic totalled 22,600 million ton miles, 225 million greater than in 1941 and 4,177 million greater than in 1928. The average revenue per ton mile was 0.86 cents as compared with 0.79 cents in 1941 and 0.96 cents in 1928.

Passenger Earnings increased by $14,041,105, or 55.5%, and were the highest since 1921. Travel, with the exception of long distance holiday traffic, showed heavy increases over practically all sections of your Company's lines. Civilian travel was exceptionally heavy in spite of the elimination of many classes of reduced fares. The growth in passenger traffic resulted partly from the restriction of automobile travel through the rationing of gasoline and the shortage of rubber for tires. The average passenger journey was 156 miles, compared with 144 miles in 1941, the longest previously recorded. The heavy movement of the armed forces, both on duty and on leave, and the low rates applicable to such traffic contributed to the reduction in the average revenue per passenger mile which was 1.87 cents, the lowest since 1910.

Other Earnings increased by $2,880,267, or 15.4%. Substantial increases occurred in revenues from news services and from dining, sleeping and parlor cars. Net payments for hire of equipment increased $930,104 as a result of a greater movement of commodities in tank cars, gondolas and covered hopper cars owned by private operators and by United States railways.

Working Expenses increased by $33,187,885, or 18.9%. Exclusive of taxes the increase was $25,100,063, or 70.9% of the increase in gross earnings. The wartime cost-of-living bonus paid to employees amounted to approximately $12,000,000, an increase of about $7,500,000 over the previous year. The bonus rate of $3.65 per week which went into effect November 16, 1941, was increased under Order-in-Council P.C. 5963 to $4.25 per week effective August 15, 1942. In spite of the increased wage and material costs the ratio of working expenses (excluding taxes) to gross earnings was reduced from 71.65% in 1941 to 71.54% in 1942.

Maintenance of Way and Structures Expenses increased by $8,461,192. The continuing heavy traffic brought about a considerable rise in current maintenance requirements, but shortage of labour and materials compelled the restriction of the work undertaken to those repairs and replacements essential for safe operation. During the year 1,751,285 treated and 1,207,188 untreated ties were placed in track and 300 single track miles of new rail were laid. Tie plates to the number of 2,826,930 and rail anchors numbering 1,260,140 were also installed. Examination of rails by Sperry detector car for invisible defects was continued. It extended over 8,161 miles of track from which all rails indicated as defective were removed. Provision of $3,750,000 for additional maintenance expenditures which have been postponed until after the war, was included in the expenses for the year. Accrual of depreciation on bridges, buildings and other structures was put into effect on July 1. For the half-year, this amounted to $2,735,370 and was credited to Depreciation Reserve—Road.

Maintenance of Equipment Expenses increased by $3,838,701. Locomotive repairs involved an expenditure of $11,074,361 and included the shopping of 821 engines for heavy repairs. Maintenance of passenger train cars cost $6,505,893 and included the general overhauling of 1,272 units. To meet special requirements resulting from wartime conditions, 10 compartment observation sleeping cars were converted to coaches, 11 lounge and sleeping cars were air-conditioned and converted to other classes of dining, parlor and sleeping car equipment, and 7 through baggage cars originally designed for handling silk were converted to regular baggage cars. Electric lights were installed in 35 coaches and colonist cars formerly equipped with gas lighting. The maintenance of freight train cars cost $10,685,545 and included heavy repairs to 26,272 cars. Arch bar trucks were replaced by cast steel truck side frames on 3,519 cars to make them available for interchange traffic. At the end of the year, 93.2% of locomotives and 97.7% of freight cars were in serviceable condition, as compared with 92.3% and 98.0%, respectively, in 1941. Charges for depreciation of rolling stock amounted to $12,777,310, as compared with $12,700,602 in 1941. Accrual of depreciation on shop and power plant machinery was put into effect on July 1. This amounted to $882,042 and was credited to Depreciation Reserve—Road.

Transportation Expenses increased by $10,653,857. The ratio to gross earnings was reduced to 32.27%, the lowest on record. There was a substantial improvement in passenger service performance. The average number of passengers per train mile was 110, an increase of 47.9%, while the average train consisted of 8.4 cars, an increase of 7.7%. Another favourable factor was the heavy loading and better utilization of freight cars. In spite of a substantial decrease in the movement of grain, a commodity which loads heavily, the average freight car load showed a slight improvement, being 31.93 tons compared with 31.86 in 1941. Although loaded car miles increased 0.9%, empty car miles were reduced by 13.5%. As against these favourable factors, the movement of trains on many sections of the line was rendered more difficult owing to the increased density of traffic. This led to a slightly less satisfactory freight train performance in certain respects as indicated by the following indices:

	1942	1941
Freight train load—gross tons	1,711	1,759
Freight train fuel consumption—pounds per 1,000 gross ton miles	101	98
Freight train speed—miles per hour	16.7	17.2
Gross ton miles per freight train hour	28,514	30,312

Other Working Expenses increased by $10,234,135, of which $8,087,822 was attributable to heavier taxes. Railway tax accruals, including $21,300,000 for Dominion Income and Excess Profits taxes, were $24,920,980. Expenses of dining and buffet service were higher by $828,785 and news service by $473,956.

Other Income

Other income amounted to $15,861,034, an increase of $2,478,975, or 18.5%.

Dividend income decreased by $1,671. Dividends of $2.50 per share—the same rate as in 1941—were received from The Consolidated Mining and Smelting Company of Canada, Limited.

Net income from interest, exchange, separately operated properties and miscellaneous sources increased by $2,523,799. A marked improvement took place in the operating results of the Northern Alberta Railways Company, which enjoyed a very large volume of traffic from special war projects and related activities in Northwestern Canada. As a result of additions to sinking and other reserve funds there was an increase in the income from this source, and the amount of your Company's management fees under its contracts with the Government was larger owing to the growth of production of munitions in the shops.

Net earnings of ocean and coastal steamships were $2,888,278, an increase of $99,981. All units of your ocean and coastal fleets were actively employed throughout the year.

Net earnings of hotel, communication and miscellaneous properties decreased by $143,134. The reduction in hotel earnings amounted to $354,228. Your hotels at Yarmouth, Lake Louise and Emerald Lake and four lodges were not in operation during the year. Holiday tourist business at your other hotels and camps declined sharply. The net earnings of the Communications Department showed a gain of $177,898, owing to heavier telegraph and cable traffic and increased receipts from leased wires. Net earnings of miscellaneous properties increased $33,196. Depreciation accounting was extended from July 1 to include the depreciable proportion of communication and miscellaneous properties.

Fixed Charges and Guaranteed Interest

Fixed charges decreased by $1,273,195. The principal reductions resulted from the retirement without refunding of the Convertible Ten Year 6% Collateral Trust Bonds, of the Twenty Year 4½% Sinking Fund Secured Note Certificates on which interest was accrued to June 15, 1941, and of various equipment obligations.

The amount charged to income on account of guaranteed interest on Soo Line bonds was $738,953, compared with $749,465 in the previous year.

Dividends

Dividends amounting to $5,042,782, being at the rate of 4% on the non-cumulative Preference Stock, were declared out of the Net Income for the year.

It is the decision of your Directors that no dividend on Ordinary Stock should be declared from the earnings of the year 1942.

During the past three years, the Funded Debt of your Company has been substantially reduced, but fixed charges are still higher than they were when dividends were last paid. It is felt that these should be brought down to something like the former level before distribution to shareholders is renewed.

Your Directors have in mind that after the war there will probably be a period of readjustment with unpredictable reactions on the earnings and expenses of transportation companies. After careful consideration of all factors, they have come to the conclusion that it is in the best interests of the shareholders to conserve your Company's resources, so that it may face the problems and difficulties of the post-war period in a strong financial position.

Profit and Loss Account

Net charges to profit and loss amounted to $4,446,938, as compared with $2,978,009 for 1941. One of the principal items was the retirement of track and other facilities at Transcona Yard, near Winnipeg, which have been rendered unnecessary by present operating methods and traffic conditions. A branch line from Lardeau to Gerrard in the Province of British Columbia, 33.1 miles in length, was abandoned during the year and the investment written off. Various miscellaneous properties and portions of facilities no longer required for operation were also written off.

The profit and loss balance at the close of the year was higher by $30,864,547 than at the end of 1941.

Land Accounts

During the year 94,233 acres of agricultural lands were sold for $488,239, an average price of $5.18 per acre. Included in this total were 146 acres of irrigated land, sold at an average price of $45.32 per acre.

Cash received on land account totalled $2,680,637, including $517,512 for rents and royalties from coal lands and gas and petroleum rights. Disbursements for land and irrigation expenses, including taxes, were $1,519,889, leaving net cash receipts of $1,160,748. This was a decrease of $398,180 from the previous year.

In pursuance of the policy of rendering assistance to farmers in the Western Provinces who have suffered through adverse conditions, your Company continued in the current crop year the same rebates of interest and other concessions as were granted in 1941. The total amount of assistance to holders of farm contracts since 1932 has been $19,428,340.

Balance Sheet

The principal changes during the year in the General Balance Sheet accounts, not dealt with elsewhere, are outlined below.

A new account was established, entitled Depreciation Reserve—Road. In addition to the current transactions of the year there was transferred to this account an amount of $74,728,521, representing appropriations made from surplus during the years 1904 to 1913 which had been applied in reduction of Property Investment.

Net discount on early issues of stock, amounting to $33,985,694, which had been charged to Property Investment and other accounts, was transferred and applied against Premium on Capital and Debenture Stock. This account now includes for the first time the entire premium and discount on your Company's stock issues, comprising net premium of $74,873,749 on the Ordinary Stock, and net discounts of $15,756,129 on the Preference Stock and $24,551,668 on the Perpetual 4% Consolidated Debenture Stock.

Investments have been set aside in a Maintenance Fund equal in amount to the Maintenance Reserves, which at the close of the year amounted to $7,250,000.

Two of your Company's ocean steamships were purchased during the year by the Ministry of War Transport of the United Kingdom. The proceeds of these sales and insurance recovered on other steamships were added to the Steamship Replacement Fund. Further amounts have been placed to the credit of your Company by the Ministry in a special account which may be drawn upon under conditions set forth by the Minister as replacements are effected.

The excess of Current Assets over Current Liabilities was $59,583,344, an increase of $1,673,921. Miscellaneous Accounts Receivable were $17,841,429, of which $8,816,748 was on Dominion Government account. Other Current Liabilities were $18,131,343, of which $11,563,368 was on account of accrued taxes.

Finance

On March 15, 6% Collateral Trust Bonds to the amount of $11,124,500 matured. By the end of the year $10,389,500 of these bonds had been redeemed, and the amount owing with respect to the remaining $735,000 is included in the Balance Sheet under Other Current Liabilities. The following securities were purchased and cancelled—3% Collateral Trust Bonds due 1945 to the amount of $2,500,000, 5% Collateral Trust Gold Bonds due 1954 to the amount of $2,000,000 and 4½% Collateral Trust Gold Bonds due 1946 to the amount of $1,000,000. Consolidated Debenture Stock to the amount of $20,879,400, pledged as collateral to these bonds, was released and cancelled.

Equipment obligations to the amount of $3,918,202 matured and were paid, and Consolidated Debenture Stock to the amount of $268,000 pledged under Series "D" was released and cancelled. The sum of $2,753,310 was deposited with the Trustee of the Equipment Trust maturing July 1, 1944, and under authority of the Trust Agreement the Trustee purchased and cancelled $896,000 of the Equipment Trust Certificates. On December 31, the balance of $8,624,624 due to the Dominion Government on the Equipment Lease dated June 6, 1940, was prepaid.

On February 1, 4% Serial Secured Notes to the amount of $638,285 were redeemed, and Consolidated Debenture Stock to the amount of $1,523,500, pledged as collateral, was released and cancelled. On December 15, $3,281,860 of these notes were refunded by the issue of notes to the amount of $3,280,000 at the reduced rate of 3%, such notes being secured in the same manner and maturing on the same dates as the notes retired. In connection with this refunding Consolidated Debenture Stock to the value of $2,231,500 was released and cancelled. Owing to the enhanced market value of Consolidated Debenture Stock, it was possible at the same time to withdraw and cancel $2,755,000 of such stock from the collateral held against the remainder of the 4% Notes.

On December 1, 3% Serial Secured Notes due December 1, 1944, to the amount of $2,000,000 were prepaid. On such prepayment Consolidated Debenture Stock to the amount of $1,200,000, pledged as collateral, was released and cancelled, and 52,000 shares of capital stock of The Consolidated Mining and Smelting Company of Canada, Limited, were released.

During the year $603,500 of matured but unredeemed 4½% Sinking Fund Note Certificates were paid, and $37,000 of matured but unredeemed Collateral Trust Bonds were also paid. Consolidated Debenture Stock to the amount of $44,400, pledged as collateral to the bonds, was released and cancelled.

On February 16, the First Mortgage Debenture Stock of the Edmonton, Dunvegan and British Columbia Railway Company, aggregating £1,438,356, matured and was paid by the Northern Alberta Railways Company. To place this jointly controlled subsidiary company in funds to meet this maturity, with respect to which the Canadian National Railway Company and your Company had jointly and equally agreed to indemnify the Government of Alberta against liability under its guarantee of principal, the subsidiary issued and sold at par to the two parent companies $6,430,000 of its bonds, your Company's proportion of such issue being $3,215,000.

The financial transactions referred to above, together with the payment to the Dominion Government on January 2, 1942, of $980,940, referred to in the Annual Report for 1941, resulted in the retirement without refunding of $35,447,221 of bonds, notes and other obligations, the discharge of a contingent liability of $3,500,000, and in a reduction of $28,901,800 in the amount of Consolidated Debenture Stock pledged as collateral.

Pensions

Working expenses were charged with $4,076,705, representing your Company's proportion of pension allowances, its contributions to the Pension Trust Fund and the levies in respect of employees who come under the United States Railroad Retirement Act. In view of the higher level of employment and increased rates of pay, as well as the declining trend of return on investments, your Directors authorized an increase from $400,000 to $700,000 in the special contributions made annually to the Pension Trust Fund to assist in meeting the anticipated peak period of cost under the pension plan.

The number of employees pensioned during the year was 649. After allowing for deductions owing to death and discontinuance from other causes, the total number on the pension payroll at the end of the year was greater by 356 than at the end of 1941.

Distribution by ages was as follows:

Under 60 years of age	278
From 60 to 64 years of age inclusive	587
From 65 to 70 years of age inclusive	2,227
Over 70 years of age	1,710
	4,802

Canadian Pacific Air Lines, Limited

During the year a number of steps were taken, designed to integrate your air activities into a co-ordinated system operated by Canadian Pacific Air Lines, Limited, a wholly owned subsidiary of your Company. Agreements were concluded for the purchase and transfer by your Company to that subsidiary of the entire assets of Arrow Airways Limited, Canadian Airways Limited, Dominion Skyways Limited, Ginger Coote Airways Limited, Mackenzie Air Service Limited, Prairie Airways Limited, Starratt Airways and Transportation Limited, Wings Limited and Yukon Southern Air Transport Limited. Canadian Pacific Air Lines, Limited, has also acquired direct control of your five air observer school subsidiaries, as well as the controlling interest in Quebec Airways Limited with its two air school subsidiaries. At the end of the year your Company had expended $4,725,917 in the acquisition of its air line undertakings, and had received $4,000,000 Capital Stock and $725,917 notes of Canadian Pacific Air Lines, Limited.

Further progress was made in the standardization of equipment and operating methods, and a unified administrative organization was established with offices in Montreal and Edmonton. Additional aircraft units of modern design are being obtained through the Canadian and United States Governments to assist in handling war traffic, which is very heavy as a result of a number of large projects in the territories served by the air lines. It is estimated that over 90% of all business handled is directly connected with the war effort. Ground, radio and hangar facilities are being expanded. At the end of the year employees of Canadian Pacific Air Lines, Limited, and its subsidiaries, including the overhaul plants and training schools operated in connection with the British Commonwealth Air Training Plan, totalled approximately 7,000.

Minneapolis, St. Paul & Sault Ste. Marie Railway Company

The gross earnings of this Company were $22,630,842, an increase of $3,352,525, and the net earnings were $3,984,434, an increase of $1,670,865. The grain crop in the area tributary to its lines amounted to 57 million bushels, the largest since 1928 and 7 million bushels greater than in 1941. Working expenses included $545,696 for special amortization of equipment, an increase of $148,875.

A plan of reorganization of the Soo Line was approved by the Interstate Commerce Commission on June 17, and by the District Court at Minneapolis on November 13. The plan is being submitted by the Interstate Commerce Commission to a vote of the security holders, who have until April 12, 1943, to accept or reject it.

The action in the Circuit Court of Cook County, Illinois, in connection with your Company's guarantee of interest on the First Consolidated Bonds, which has been referred to in previous Annual Reports, remains in abeyance in the meantime.

The Duluth, South Shore and Atlantic Railway Company

The gross earnings of this Company were $4,143,876, as compared with $3,316,914 in 1941, and the net earnings were $946,969, as compared with $627,466.

The negotiations with the representatives of holders of the First Mortgage Bonds, which were reopened during the year, did not result in a settlement of the questions underlying the allocation of new securities which are delaying the filing of a plan of reorganization. It has therefore been necessary to proceed with the litigation begun in 1940 and referred to in the Annual Report for that year. An agreed statement of facts and briefs have been filed, and oral arguments have been presented.

Rates and Services

The Dominion Transport Controller made a number of orders during the year which were designed to curtail non-essential traffic and expedite freight and passenger movements. These orders included provision for the cancellation or modification of a number of special reduced fare arrangements, such as coach excursion fares, special Sunday fares, certain party fares and fares for exhibitions, conventions and sports events; for the prescription of minimum weights for refrigerator carloads; and for the imposition of penalties, in addition to the ordinary demurrage charges, to prevent the undue detention of refrigerator equipment.

During the year the Canadian Passenger Association, of which your Company is a member, established throughout Canada limitations on advance reservation of sleeping and parlor car accommodation to reduce waste of space through unnecessary cancellations.

An increase from 10% to 15% in the Dominion excise taxes on passenger tickets and sleeping and parlor car fares was put into effect on June 29. Increased taxes on passenger fares and a new tax on freight tolls were imposed on all railway lines in the United States in the latter part of the year.

Your Company received from the builders 35 Pacific type locomotives, for main line passenger and fast freight service, 25 air-conditioned first class passenger coaches of light weight steel construction, 150 automobile type box cars, 100 refrigerator cars equipped with overhead brine tanks, 150 70-ton ore cars, and 30 cabooses. Still to be delivered at the end of the year were 7 Pacific type locomotives, 20 heavy freight locomotives of the Mikado type, 5 Diesel switching locomotives of 1,000 horse-power capacity, 500 40-ton box cars of steel frame construction sheathed with plywood, and 250 50-ton steel frame box cars. Reference has already been made to certain modernization and betterment of your Company's passenger and freight equipment carried out during the year.

Wartime Activities

Transportation requirements were even greater than in the previous year. The continued expansion of industrial activity occasioned by the war and the growth of the armed forces, gave rise to a large increase in traffic. Your Company has provided equipment for the proper care and handling of sick and wounded members of the armed forces. Large numbers of prisoners of war and civilian internees were transported.

Operating problems were accentuated by the high rate of labour turnover, which was more than twice as great as in normal years. The burden of supervision on officers and senior employees was greatly increased as a result of the large number of new and inexperienced employees which it was necessary to hire.

The continued expansion of war production in Canada necessitated the extension of many railway facilities. During the year 51 miles of industrial trackage was completed to serve 105 new plants and undertakings, the major portion of which were Government-financed war projects.

Your Company's ocean steamships and part of its coastal fleet remained throughout the year in the service of the Ministry of War Transport of the United Kingdom.

A feature of wartime activity in Canada during 1942 was the construction of the Alaska Highway in connection with which your Company's railway and air lines were used to a large extent in the movement of men and materials.

Production of Valentine tanks at the Angus Shops in Montreal continued at the scheduled rate during 1942. Representatives of the Russian Government have been loud in their commendation of the quality of these tanks and their effectiveness in the field. The contract for the production of tanks is approaching completion, and under arrangements with the Government the shop facilities released will in part be diverted to the manufacture of marine engines. Replacement parts for Valentine tanks will continue to be produced at the plant.

Full production of naval guns and mountings was attained at the Ogden Shops in Calgary. Special work under other munitions contracts is also being performed in the shops of your Company.

The officers and employees continued to give enthusiastic support to patriotic activities and campaigns during the year. In Montreal alone, more than 2,800 of the staff have enrolled as blood donors. In the three Canadian Victory Loans, your Company and its officers and employees have subscribed a total of $43,842,500. Of this amount, $33,639,000 has been taken by your Company and by its Pension Fund and the Pension Fund of the Canadian Pacific Express Company. At the end of the year more than 33,000 officers and employees were purchasers of War Savings Certificates under the payroll deduction plan.

At December 31, the total number of Canadian Pacific employees who were enrolled in the armed services of the United Nations was 14,062.

Capital Expenditures

In anticipation of your confirmation, your Directors authorized capital appropriations for the year 1942 amounting to $1,562,489 in addition to those approved at the last annual meeting. Included in these appropriations was an amount of $398,095 for the purchase of five Diesel switching locomotives.

Your approval will also be requested for capital appropriations of $14,196,440 for the present year. The principal items are as follows:

Replacement and enlargement of structures in permanent form	$39,025
Additions and betterments to stations, freight sheds, coaling and watering facilities and engine houses	1,137,227
Ties, tie plates, rail anchors and miscellaneous roadway betterments	1,688,301
Replacement of rail in main and branch line tracks with heavier section	877,998
Installation of automatic signals	1,236,130
Additional terminal and side track accommodation	537,066
Additions and betterments to shop machinery	522,041
New rolling stock	7,426,100
Additions and betterments to rolling stock	459,083
Additions and betterments to communications facilities	183,599
British Columbia Lake and River Service	33,000

The amount appropriated for automatic signals includes provision for an installation on the main line between Chapleau and Schreiber, Ontario, where an exceptionally heavy volume of traffic is moving under most severe operating conditions. New equipment comprises 20 Pacific type locomotives for passenger and fast freight service, 15 Mikado type locomotives for heavy freight service, 500 gondola cars and 50 cabooses. Should conditions improve so as to make it possible to procure additional materials, your Directors may consider an enlargement of this programme by placing further orders for freight cars.

Agreements

The following agreements made by your Directors will be submitted for your consideration and approval:

1. A lease of the lines of railway and bridges of The Fort William Terminal Railway and Bridge Company, which the Lessor Company has been by law authorized to construct, whether constructed or to be constructed, including those on and adjacent to Islands Numbers One and Two at the mouth of the Kaministiquia River and spanning that river and McKellar Creek, all in the city of Fort William, for a term of 999 years from July 1, 1943, at an annual rental equal to the interest payable on the bonds which the Lessor Company may at any time or times hereafter issue at the request of your Company, the total of all such bonds unpaid or unredeemed not to exceed at any time the sum of $50,000 per mile of the Lessor Company's railway, constructed or under contract to be constructed, and to bear interest at a rate not exceeding 5% per annum payable half-yearly.

2. An agreement with the Glengarry and Stormont Railway Company providing for the amendment of the lease dated June 1, 1915, under which the railway of that company is leased to your Company for the term of 99 years. The amendment provides for a revision of the provisions of the lease in regard to the calculation of gross earnings of the Lessor Company upon which the rental is based and for a release of all claims under the original provisions up to and including December 31, 1940. The Royal Trust Company, Trustee under the mortgage securing the bonds of the Lessor Company, and Sun Life Assurance Company of Canada, owner of all of the said bonds, join in the agreement as consenting parties.

Stock Holdings

The holdings of the Capital Stock of the Company at December 31 were as follows:

	ORDINARY		PREFERENCE		TOTAL
	No. of Holders	Percentage of Stock	No. of Holders	Percentage of Stock	Percentage of Stock
Canada	25,908	17.75	161	.64	12.68
United Kingdom and other British	18,028	53.64	25,810	96.44	66.32
United States	13,673	22.59	77	.35	16.00
Other Countries	3,504	6.02	563	2.57	5.00
	61,113		26,611		

Changes in Directorate

It is with deep regret that your Directors report the loss by death on June 10 of Mr. W. N. Tilley, K.C., of Toronto, Consulting Counsel of your Company, a member of the Board since 1922 and of the Executive Committee since 1924. He was recognized both here and in Great Britain as one of the leaders of the Canadian Bar. His brilliant qualities as an advocate were combined with unusually sound business judgment, and during his long association with your Company its problems were his major concern.

The vacancies on the Board caused by the death in 1941 of the Rt. Hon. Arthur B. Purvis, P.C., and of Sir Herbert Holt, and that of Mr. Tilley were filled as follows:

Mr. W. M. Neal, Vice-President of the Company, was appointed a Director and member of the Executive Committee.

Mr. S. G. Blaylock and Hon. Charles A. Dunning, P.C., were appointed Directors.

Retiring Directors

The undermentioned Directors will retire from office at the approaching annual meeting. They are eligible for re-election:

MR. S. G. BLAYLOCK
HON. HENRY COCKSHUTT
MAJ.-GEN. FRANK S. MEIGHEN, C.M.G.
MR. ROBERT C. STANLEY

Your Directors desire again to express their pride in and their sense of gratitude for the loyalty and efficiency displayed by your officers and employees. In particular, record should be made of the brave devotion to duty of those who have manned your steamships under conditions which often involved great difficulty and danger. With sincere thanks, they acknowledge the whole-hearted co-operation of the shipping and travelling public in meeting the problems of war transportation, and wish to pay the highest tribute to the vigilance, endurance and valour of the armed forces of the United Nations, through the protection of whom the operations of your Company on land, on sea and in the air have been made possible.

Montreal, March 8, 1943.

Canadian Pacific Railway Company

General Balance Sheet, Dec. 31, 1942

Assets—		
Property Investment:		
Railway, Rolling Stock, Inland Steamships, Hotel, Communication and Miscellaneous Properties	$901,532,307	
Improvements on Leased Property	98,840,778	
Ocean and Coastal Steamships	52,885,105	
Stocks, Bonds and Other Securities of Leased, Controlled and Jointly Controlled Railway Companies and Wholly Owned Companies	201,482,592	
		$1,254,740,782
Other Investments:		
Miscellaneous Investments—Cost	$26,296,858	
Advances to Controlled and Other Companies	27,558,577	
Mortgages Collectible and Advances to Settlers	3,072,202	
Deferred Payments on Lands and Townsites	28,930,934	
Unsold Lands and Other Properties	21,874,089	
Maintenance Fund	7,250,000	
Insurance Fund	9,707,129	
Steamship Replacement Fund	36,081,515	
		160,771,304
Current Assets:		
Material and Supplies	$28,017,845	
Agents' and Conductors' Balances	13,766,548	
Miscellaneous Accounts Receivable	17,841,429	
Cash	45,381,814	
		105,007,636
Unadjusted Debits:		
Insurance Prepaid	$222,590	
Unamortized Discount on Bonds	1,615,344	
Other Unadjusted Debits	1,137,445	
		2,975,379
		$1.523.495.101
Liabilities—		
Capital Stock:		
Ordinary Stock	$335,000,000	
Preference Stock—4% Non cumulative	137,256,921	
		$472,256,921
Perpetual 4% Consolidated Debenture Stock	$442,269,429	
Less: Pledged as collateral to bonds, notes and equipment obligations	146,831,200	
		295,438,229
Funded Debt	$157,956,154	
Less: Securities and cash deposited with Trustee of 5% Equipment Trust	14,937,912	
		143,018,242
Current Liabilities:		
Pay Rolls	$4,788,874	
Audited Vouchers	10,433,552	
Net Traffic Balances	3,462,586	
Miscellaneous Accounts Payable	4,127,214	
Accrued Fixed Charges and Guaranteed Interest	1,959,332	
Unmatured Dividend Declared	2,521,391	
Other Current Liabilities	18,131,343	
		45,424,292
Deferred Liabilities:		
Dominion Government Unemployment Relief	$2,447,223	
Miscellaneous	3,614,461	
		6,061,684
Reserves and Unadjusted Credits:		
Maintenance Reserves	$7,250,000	
Depreciation Reserves—Road	77,350,679	
—Rolling Stock	84,255,149	
—Steamship	46,497,359	
—Hotel and Other	10,281,881	
Investment Reserves	17,498,138	
Insurance Reserve	9,707,129	
Contingent Reserves	5,105,407	
Unadjusted Credits	4,718,141	
		262,663,883
Premium on Capital and Debenture Stock		34,565,952
Land Surplus		62,815,415
Profit and Loss Balance		201,250,483
		$1,523,495,101

E. A. LESLIE,
Comptroller.

To the Shareholders,
Canadian Pacific Railway Company:

We have examined the Books and Records of the Canadian Pacific Railway Company for the year ending Dec. 31, 1942, and having compared the above Balance Sheet and related schedules therewith, we certify that in our opinion it is properly drawn up so as to show the true financial position of the Company at that date, and that the Income and Profit & Loss Accounts correctly set forth the result of the year's operations.

The records of the securities owned by the Company at Dec. 31, 1942, have been verified by an examination of those securities in the custody of its Treasurer and by certificates received from such depositaries as are holding securities for safe custody for the company.

PRICE, WATERHOUSE & CO.
Chartered Accountants.

Montreal, March 5, 1943.

UP-TOWN AFTER THREE

By BILL SMITH

SCREEN

Some months ago John Steinbeck's **"The Moon Is Down"** opened on Broadway. It wasn't a bad play, but for a Steinbeck it wasn't a good one. Then came 20th Century-Fox, bought the screen rights and made a movie out of it. The result is an added something that neither the novel or the play had. The cinema version has action and drama, plus a meaning it sorely needed. Instead of delving into psychological reasons for the action of a terrorized but freedom-loving people and the equally labored explanations for the inability of the Nazis to conquer, the movie gives meat the play and the novel tried to show but never managed to convey. The result is an exciting movie with impressive definitions. Top honors go to Sir Cedric Hardwicke as the Nazi colonel and to Henry Travers, the mayor of the Nazi-overrun village. . . . **"Slightly Dangerous"** (M. G. M.) is pure sugar-coated escapism. The girl, Lana Turner, a disgruntled soda jerk in a small town department store, bored with life, starts serving sodas while blindfolded. Robert Young, the new manager, catches her. He begins to fire her when he sees her face. Uh-huh, he doesn't fire her. But our heroine flies off the handle, quits, runs home and writes some kind of note that makes everybody think the manager drove her to suicide. Then she gets her money together and goes off to the Big City. After getting a body treatment, plus a lot of fancy clothes, she stands in front of a show window preening when a paint pot lands on her new permanent wave. Then what do you think happens? She turns out to be the long-lost daughter of a millionaire. Of course, she is a phoney, but the "father" doesn't learn of it till later and by that time doesn't care. . . . Meanwhile our young hero gets himself fired and comes to town looking for the girl who was at the bottom of all his troubles. He finally catches up with her (as if you didn't know), claiming her as his wife. On the way back to the town to redeem himself Lana arranges so they'll have to spend the night together in a tourist cabin. But just as you sit up looking for excitement our half-witted hero comes up with some fancy scruples and in a resounding voice declares, "No, No. A thousand times no!" We saw the picture twice but our hero was of the same noble mind.

"Edge of Darkness" (Warner) is a long, often a dull picture with a top cast that too often has little to do. The heroes of the piece are all nice folk, Norwegians, who have seen their town captured by the Germans. The villains, if you haven't guessed it, are the Nazis, who prance around hysterically yelling "Silence!" Errol Flynn, a strangely subdued Flynn, is the leader of the underground. His big moment comes in his speech to Ann Sheridan: "When my father was my age," reminisces Flynn, "he was married and the father of two children. Today a man has no time for anything." Cast is good, Ruth Gordon, Judith Anderson, Walter Huston, not to mention Errol Flynn and Ann Sheridan. The trouble is the story itself is poor and gives the cast little scope to demonstrate its abilities.

AROUND THE TOWN

Among the West Side restaurants which provide not only better than average food but entertainment as well is **Zimmerman's Hungaria** (163 W. 46th). Ostensibly a restaurant and night club, it's really more than that. It seems to be a rendezvous for all kinds of parties, mostly feminine. Table after table seems to be packed solid with feminine contingents prattling away for all they're worth. As the M. C. announces soandso is giving a pre-wedding party, or a birthday party, or somebody is going into the Army, the large room breaks into loud shrieks and applause. The entertainment can seldom be heard for the din which seems to be a part of this place. Incidentally, it's one of the few places I know of where girls dancing together seems commonplace. The food at the Hungaria is, as the name implies, Hungarian, which means spicy. But spicy or not it's good and the servings ample. Surroundings may not be swank, but neither are the prices. And besides, the hominess of the large downstairs place gives it a comfort difficult to resist.

Urges Caution In Security Purchases

A warning that "great danger lies in the purchase of securities at low or high prices unless the factors pertaining to them are ascertained and understood" was issued by Fred C. Moffatt, President of the New York Curb Exchange, the latter part of last month.

Mr. Moffatt's statement follows:

"The increased popular interest in corporate securities, reflected in the dealings on stock exchanges, indicates a return of confidence in the future of American industry. Supplementing, as such purchases do, the widespread public buying of war bonds, they are a wholesome sign.

"But a surge of optimism carries with it the danger that enthusiasm will deter investors from the careful scrutiny essential to the maximum of safety. Information respecting corporate securities is available in Exchange files or in the statistical services. Inexperienced investors may call upon member firms or independent advisers for suggestions and comment. Great danger lies in the purchase of securities at low or high prices unless the factors pertaining to them are ascertained and understood.

"President Emil Schram of the New York Stock Exchange has recently issued an impressive warning of the importance of the study of security values and of the hazard in the purchase of stocks or bonds primarily because they are selling at low prices. The New York Curb Exchange is in entire sympathy with this position. Attention to intrinsic values rather than to market prices is an essential of rational investment."

Mr. Schram's statement appeared in these columns March 11, page 905.

American Business Booms & Depressions Since 1775

A most interesting chart showing the trend of American business and inflationary conditions during the administrations of each President from the beginning of the United States has been prepared by Security Adjustment Corporation, 16 Court street, Brooklyn, N. Y. In addition the trend of national income, stocks, bonds, and commodities, and the purchasing power of the dollar are indicated.

Copies of this chart may be had from Security Adjustment Corporation upon request.

Chicago Ry Looks Good

The First Mortgage 5s of 1927 of Chicago City Railway Company offer a most attractive situation at the present time according to a circular being distributed by Dempsey-Tegeler & Co., 407 North Eighth Street, St. Louis, Mo., members of the New York and St. Louis Stock Exchanges. Copies of the circular may be had upon request from Dempsey-Tegeler & Co.

To Pay On San Paulo 7s

Schroder Trust Co., New York City, as special agent, is notifying holders of State of San Paulo (United States of Brazil) 7% secured sinking fund gold dollar bonds, coffee realization loan 1930, that it has received funds to pay immediately 50% of face amount of the coupons due Oct. 1, 1941, amounting to $17.50 for each $35 coupon and $8.75 for each $17.50 coupon. Payment will be made in accordance with provisions of Presidential Decree No. 23829 of Feb. 5, 1934, of the United States of Brazil, as modified by Decree Law No. 2085 of March 8, 1940. It is likewise announced:

"The acceptance of these payments is optional with the holders, but pursuant to the terms of the Decree payment, if accepted, must be for full payment of the coupons and of claims for interest represented thereby.

"Holders of Oct. 1, 1941, coupons may obtain payment of the amounts prescribed upon presentation and surrender of the coupons for final cancellation at the office of the special agent, 48 Wall Street, New York.

"While the maturity date stated in the bonds is Oct. 1, 1940, Decree Law 2085 provides for payment of interest at the above rate and for certain amortization during the four-year period ending March 31, 1944."

Ins. Stock Index Trend Continues Upward

The Mackubin, Legg Insurance Stock Index indicates that during February stocks of Fire and Casualty companies reflected the general upward trend of the market, but did not climb as rapidly as the general market. Copies of their recent circular giving the index from December, 1941, through February, 1943, may be had upon request from Mackubin, Legg & Co., 22 Light Street, Baltimore, Md., members of the New York Stock Exchange.

Blind Flying Hazards To Be Eliminated By Secret Development For Army Air Forces

CHICAGO, ILL.—The hazards of blind flying through fog, even at night, will be eliminated on commercial airlines after the war as a result of a startling development now being utilized for an entirely different purpose by the Army Air Forces, Ernest R. Breech, President, Bendix Aviation Corporation, revealed.

Speaking on the future of the aviation industry before more than 1,000 members and guests of the Illinois Manufacturers' Cost Association, Breech, who is also Chairman of the Central Aircraft Council, said:

E. R. Breech

"Through a startling development, hazards of blind flying, day or night, will be definitely conquered. These developments are so broad in the scope of their application for military purposes that I cannot hint to you how this has been accomplished."

Indicating that engineers of Bendix, pioneer in the development and mass-production of scientific devices for aircraft and other industries, are cooperating with the armed services and other manufacturing and research organizations in this development, Breech said:

"I can tell you that it is no longer experimental, and I can give you positive assurance that fog, even at night, will join the long list of weather hazards conquired by man in his desire to fly."

Discussing present-day American military aircraft, Breech said:

"Despite the fact that American fighter planes give our pilots the greatest protection with armor plate and are equipped with as great, or greater fire power than any other fighter planes today, our latest type, now being produced in large quantities, is the fastest plane in the world, and will match the altitude and out-fight any enemy ship under any conditions."

American bombers, Breech said, after unloading their bombs were faster than enemy fighters in certain cases with which he was personally acquainted.

Pointing out that the Air Force personnel would number 2,500,000 enthusiastic young men before the end of the year who would never again be content to be removed completely from the influence of aviation, Breech said that the aviation industry was not counting solely on such enthusiasm to furnish the demand for mass-production of future airplanes.

"We recognize the fact that in order for the airplane to become generally used by the public," Breech said, "it must first be safe, and secondly, priced within the reach of the average person.

"Safety in flying comparable to that of driving the present-day automobile is entirely possible and will result in mass sales. When mass sales are attained, lower prices will automatically follow," Breech said.

While not predicting that the private airplane industry would equal the volume of units of the automobile industry, Breech said that the annual market for private planes will be an important factor in our economy.

Purolator Interesting

Purolator Products, Inc. offer attractive possibilities according to Reynolds & Co., 120 Broadway, New York City, members of the New York Stock Exchange. An interesting basic report upon the company may be had from Reynolds & Co. upon request.

The Future Of The Gold Standard

(Continued from first page)

tary gold, and we will be glad to sell our excess supply on very attractive terms to other countries that desire to return to the gold basis."

We may be willing to "sell" our surplus gold, but with what will the other countries pay for it? Commodities? Will we be willing to open our markets to receive their commodities? After the last World War we raised our tariff sky high to keep them out, even though that meant sacrificing the money they owed us for war debts. At the end of this war, with millions of unemployed, most likely, will we be any more willing to take their commodities in exchange for our gold?

Or if not commodities, will we be willing to take their "securities"? Every country in the world * * * will be bankrupt. Would Professor Kemmerer suggest further loans to countries already hopelessly in debt?

We might possibly "lend-lease" our gold, as we are now doing with the products of our industries and farms. But even then we should run the risk of having the gold returned to us, directly or indirectly, in exchange for still more good American commodities, so great will be the need for goods during the rehabilitation period after the war.

Professor Kemmerer may have an answer to these questions and, needless to say, I shall look for it eagerly in subsequent issues of your interesting paper. But I very much fear that not only currency, but all international trade, will be on a "managed" basis for a long time to come.

Nationalistic monetary policies are the result, and not the cause, of nationalistic economies which build tariff walls and other restrictions to prevent the free interchange of goods and services. It is there that we must begin, and it is there that the United States has the greatest contribution to make.

N. Y. Trust Co. Plans To Increase Capital Stock

John E. Bierwirth, President of the New York Trust Co., announced on April 6, following a meeting of the board, that it had been decided to increase the company's capital by the issuance of 100,000 additional shares of $25 par value. The plan will be submitted to stockholders of record April 9 for ratification at a special meeting April 28. Under the proposal, present stockholders will be offered the new stock on the basis of one share for each five shares now held.

This, it is said, will be the first substantial increase in the capital stock of a large New York City bank in several years. The proposed increase will raise the amount of stock outstanding from 500,000 to 600,000 and the total of the trust company's capital from $12,500,000 to $15,000,000. While the exact issue price has not been determined, it is said that any proceeds over the par value of the stock probably would be added to the bank's surplus account, which now stands at $25,000,000. As of March 31, 1943, the bank's capital, surplus and undivided profits aggregated $42,286,418.

Mr. Bierwirth on April 6 said the proposed increase of capital and surplus was motivated by the desire to take all steps necessary to assure his bank of an increasing position in financing the needs of commerce and industry. He added that the recommended increase in capital funds is a constructive step which will furnish a sound basis for continued growth and greater capacity for service. He also made known on April 6 the appointment by the board of trustees of Albert W. Olsen as assistant to the President. Mr. Olsen for many years was identified with foreign trade, principally in the Far East. Subsequently for several years he was associated with A. G. Spalding & Bros. as Vice-President.

Geo. Sidenberg Dies

George Monroe Sidenberg died at the age of 71 after an illness of three weeks. Mr. Sidenberg was formerly a partner in Halle & Stieglitz and was a member of the New York Stock Exchange, serving for many years on the Board of Governors. He retired in 1934.

Norfolk and Western Railway Company

SUMMARY OF FORTY-SEVENTH ANNUAL REPORT FOR 1942

The Norfolk and Western Railway Company handled a record volume of traffic in 1942. This is attributed to the rapid expansion of business activity throughout the year and the heavy demands of the Government for transportation facilities to move personnel and equipment for war purposes.

Gross Railway Operating Revenues increased $19,423,000, or 16.16 per cent., over 1941. Operating Expenses increased $12,534,000, or 19.70 per cent. Net Income decreased $5,285,000, or 19.44 per cent. Income Balance of $21,007,000 was equal to $14.93 per share of outstanding Common Stock.

Condensed Income Statement

	1942	Comparison with 1941	Per Cent
Operating Revenues	$139,600,163.63	+ $19,423,249.64	16.16
Operating Expenses	76,173,018.32	+ 12,534,036.65	19.70
Net Revenue from Oper.	$63,427,145.31	+ $6,889,212.99	12.19
Ry. Tax Accruals—Fed., State and Local Taxes	46,096,493.96	+ 13,957,131.94	43.43
Railway Operating Inc.	$17,330,651.35	— $7,067,918.95	28.97
Rent Inc.—Equipment & Joint Facilities—Net	6,499,112.77	+ 1,821,404.83	38.94
Net Ry. Operating Inc.	$23,829,764.12	— $5,246,514.12	18.04
Non-Operating Income	832,237.00	— 33,515.11	3.87
Gross Income	$24,662,001.12	— $5,280,029.23	17.63
Deduc. from Gross Inc.:			
Int. on Funded Debt	$2,116,262.50	— $4,616.66	.22
Other Deductions	636,974.04	+ 9,826.15	1.57
Net Income	$21,908,764.58	— $5,285,238.72	19.44
Divs. on Adjustment Pfd. Stock—$4.00 per share	901,329.00	— 10,526.00	1.15
Income Balance	$21,007,435.58	— $5,274,712.72	20.07

Note—Net Railway Operating Income was equivalent to 4.30% earned upon the Company's Railway Property Investment, compared with 5.33% in 1941.

Condensed Profit and Loss Statement

Credit Balance, January 1		$173,726,660.48
Credits:		
Income Balance for Year	$21,007,435.58	
Miscellaneous Net Credits	475,762.67	
Total Credits		21,483,198.25
		$195,209,858.73
Charges:		
Appropriation of Surplus for Dividends on Common Stock	$14,064,830.00	
Miscellaneous Net Charges	1,095,040.48	
Total Charges		15,159,870.48
Credit Balance, December 31		$180,049,988.25

Dividends

Dividends of $1.00 per share quarterly, a total of $4.00 per share, or $901,329, were paid upon the outstanding Adjustment Preferred Stock. Dividends of $2.50 per share quarterly, a total of $10.00 per share, or $14,064,830, were paid upon the outstanding Common Stock.

Taxes

Railway tax accruals were $46,096,000, an increase over 1941 of $13,957,000, or 43.43 per cent. Taxes amounted to 33 cents per dollar of Operating Revenues, to $2,113 for each employee, to $33 for each share of Common Stock, to 210 per cent. of Net Income after taxes, and to 8 per cent. of Railway Property Investment. All Federal taxes—$40,321,000—representing 87.47 per cent. of all tax accruals for the year, increased $13,366,000, or 49.58 per cent., due in part to larger revenues, but chiefly because of increases in Federal tax rates. Accruals for Federal Excess Profits tax, included above, amounted to $23,265,000 at the 90 per cent. rate, an increase over the preceding year of $12,515,000. Railroad Retirement and Unemployment Insurance taxes amounted to $2,729,000, an increase of $359,000, because of increases in employment and payrolls.

Federal Excess Profits Tax—Post-War Credit

Under the provisions of the Revenue Act of 1942, this Company is entitled to a post-war credit of 10 per cent. of its Federal Excess Profits tax paid for 1942. The Company will receive United States Government bonds in the amount of this credit. These bonds will bear no interest and cannot be negotiated, assigned or pledged until cessation of hostilities. Bonds to be received for the 1942 credit mature December 31 of the second calendar year beginning after the war ends.

No adjustment for the post-war credit, estimated at $2,326,500, to which this Company is entitled for the year 1942, has been made either in reduction of Railway tax accruals or credits to income.

Reserve Fund for Taxes and Contingencies

The Company has established a reserve fund to meet taxes, and to provide for future contingencies. On December 31, 1942, this fund aggregated $40,226,000, an increase of $20,186,000 over the previous year, and is invested in United States Tax Savings and Treasury Notes.

Transportation Rates

The increases in passenger fares and freight rates, which became effective, by order of the Interstate Commerce Commission, on February 10 and March 18, 1942, respectively, are now under attack by several Federal and State agencies, and their cancellation is being sought. The railroads are defending the continuance of the increases, which added $3,750,000 to this Company's gross revenues for the year 1942. The increases were authorized to provide revenue to meet higher wage rates and vacations with pay to employees, granted in 1941 as a result of mediation before an Emergency Fact-Finding Board, which added $6,400,000 to the Company's payroll costs in 1942.

Financial

The Capital Stock held by the public was $163,097,800, a decrease of $232,500, and represented 76.05 per cent. of outstanding stock and bond capitalization. On December 31, 1942, the Company's stockholders numbered 13,851.

The Funded Debt held by the public was $51,365,532, a decrease of $81,000, and represented 23.95 per cent. of capitalization so held. Since December 31, 1930, the Company has reduced its direct total Funded Debt by $60,630,000, or 54.14 per cent.

Securities in the voluntary sinking fund for retirement of Funded Debt had a par value of $1,424,800 and a market value of $1,688,991.

War Service

Since September, 1939, when the war started in Europe, this Company has expended and authorized more than $75,000,000 for the construction and purchase of new cars and locomotives and expansion of key terminals and other facilities necessary to meet increased traffic demands incident to the war effort.

This policy of preparedness has enabled the Company so far to meet all transportation requirements, both military and civilian, which it expects to continue to do provided it can secure the necessary materials for maintenance purposes and for new equipment as required.

In addition to constructing, in its shops, 17 new locomotives and other equipment for its own service, and keeping its own locomotives and cars in proper repair and thereby available for maximum service, this Company during the year made heavy repairs to 43 locomotives of neighboring railroads and industries. Also, a substantial amount of work was done for the Army, Navy and war industries.

Employees

Employees during the year averaged 21,818. There were 1,731 employees in the armed forces on December 31, 1942. Railway Property Investment of $553,556,000 averaged $25,372 per employee. The Company's total payroll for 1942 was $47,183,000, an average of $2,163 per employee. Payments by the Company during the year for the benefit of employees, in addition to wages and salaries, totaled $3,041,387, an average of $139 per employee. These payments included Railroad Retirement tax, Federal Unemployment Insurance tax, expenses of Employees' Relief Fund and payments under Supplemental Pension Plan.

Wage Demands

In September, 1942, non-operating employees of railroads demanded a wage increase of 20 cents per hour, with a minimum of 70 cents per hour, and a union shop. This was followed in January, 1943, by demands of the operating employees for an increase of 30 per cent. in their wages, with a minimum increase of $3.00 per day. Both demands are in addition to the wage increases granted in 1941 as a result of mediation before an Emergency Fact-Finding Board. Emergency Boards have been appointed by the National Railway Labor Panel to conduct hearings and to make recommendations to the President of the United States. Hearings on dispute affecting the non-operating employees began on March 1, 1943. If both demands should be granted in full, the Company's annual payroll would be increased by approximately $12,500,000.

W. J. JENKS,
President.

Municipal News & Notes

In a recent decision, the New Jersey Supreme Court held that the City of Camden, N. J., cannot tax the property of the Camden-Philadelphia bridge, which is operated by the Delaware River Joint Commission. The city, it was said, attempted to assess the bridge structure and property on which it is located at $9,250,000 in 1942, although in prior years the City Assessor had listed the property as tax-exempt.

In an opinion for Part 2, the court said the inter-State compact under which the joint commission was organized provides for specific exemption of all bridge property and quoted a section of the compact: "The commission shall not be required to pay any taxes or assessments upon any property acquired or used by it."

The court said further no reason was advanced by Camden in support of the assessment and none could be discovered, and therefore the assessment was being canceled.

Bridge Reports Operating Loss

The Bridge Commission had an operating loss in January for the first time in its history, according to a report made to the joint commission by Joseph K. Costello, General Manager. Receipts during the month amounted to $168,083 and interest on investments increased gross income to $179,796. Operating expenses, interest on the Commission's outstanding bonded debt and sinking fund requirements totaled $223,808, however, leaving a deficit for January of $44,012. In his annual report for 1942, Mr. Costello noted that the Commission was giving consideration to the possibility of refinancing its outstanding bonds at lower interest cost. No further developments in this regard have been reported.

Drastic reductions in civilian driving, due to gasoline rationing and associated measures, were responsible for January's deficit, Mr. Costello said. In January, 1942, vehicles using the span numbered 1,120,000, while the figure for the same month of the current year was only 630,000, a decline of about 43%. In this connection, the Office of Defense Transportation has asked curtailment of bus service on the structure, a development which would further depress the bridge's income.

Oklahoma Retires About $5,000,000 Of Bonds

The Oklahoma State School Land Department delivered $4,944,944 of State bonds to the State Treasurer for cancellation on April 2, in the first step of Governor Kerr's announced intention to liquidate outstanding indebtedness from surplus funds. The amount paid the School Land Department for its holdings of State bonds was accumulated under the administration of ex-Governor Phillips for the fiscal year ended July 1, 1942.

Governor Kerr has estimated that the general fund surplus for the fiscal year ending July 1, 1943, will be about $6,000,000. He expects that many holders of State bonds will be willing to surrender them for payment at par and accrued interest. The State Legislature passed an act authorizing the application of surplus funds to debt retirement and/or investment in Government bonds.

Mississippi Tax Revenues Climb To New High Level

A total of $4,110,867.99 was collected in March by the Mississippi Tax Commission, thus establishing a series of new records. The amount was more than twice as great as collections for all of 1932.

The funds swelled the Treasury balance to an all-time high of $16,311,872.19. The yields are from depression born tax laws that have risen under the avalanche of wartime spending.

While the income tax was responsible for most of the increase of $800,500 over the $3,361,585.09 collected in March, 1942, other taxes also jumped. In fact, every major revenue producer in the 12 taxes administerd by the Commission, yielded more than a year ago.

Income tax returns have been most startling of any tax yields, since the new reduced State income tax rates became effective on taxes paid this March. The lowest bracket rate was cut in two, from 3 to 1½%, while a reduction of 1½% was made in all higher brackets.

Tennessee's March Gasoline Revenues Sharply Higher

Despite predictions to the contrary, Tennessee's tax collections for March showed an upward trend over the same month of last year with an overall increase of $451,919 for the month, George McCaneless, Commissioner of Finance and Taxation, announced March 31. The month's collections were placed at $5,155,617, compared to $4,703,698 for March a year ago.

Gasoline taxes, which had been expected to show a decided slump because of mileage rationing, came through with an approximate increase of $45,000 for the month, the Commissioner said, totaling $1,850,929, against $1,806,042 for March of last year.

Largest single increase for the month was in the liquor tax which jumped from $109,543 in March of 1942 to $290,993 for the month just ending. This increase was attributed, however, to the additional taxes brought in on floor stocks through a 30-cents-a-gallon hike in the tax imposed at the recent legislative session. Tobacco taxes also showed a heavy increase for the month, hitting $380,306, as compared to $297,586 for March, 1942.

The March collections upset a trend started several months ago when State income first hit the downward skids in the wake of gasoline, car and tire rationing. The March collections increased by approximately $2,000,000 over the collections of February this year, according to the records, and whittled almost in half the deficit which had been showing thus far in the collections for the current fiscal year, as compared to the same period of the preceding fiscal year.

The March collections brought to $35,959,626 the intake by the Finance and Taxation Department for the present fiscal year, as against $36,370,594 for the first nine months of the preceding fiscal year.

The slump in gasoline taxes for the current year has been almost wholly responsible for the decline in overall collections since other tax items have been showing slight increases, or at least running comparable to corresponding months of the previous year.

Officials had no explanation for the increase in gasoline taxes in March despite gasoline rationing, other than that it showed heavy storage by dealers and distributors.

Collections of other tax items for March, as compared to the same month year ago were:

	1942	1943
Franchise	$15,987	$4,000
Excise	19,652	30,172
Income	1,340,016	1,269,657
Inheritance	96,389	140,033
Gasoline	1,806,042	1,850,929
Inspection fees	139,896	143,475
Tobacco	297,586	380,306
Beer	69,289	91,442
Motor vehicle	332,969	354,513
Bridge tolls	62,954	53,978
Ad valorem	252,808	305,092
Utility fees	18,506	71,422
Privilege	86,228	91,887
Gross receipts	30,909	59,262
Liquor	109,533	290,993

Alberta Expects Substantial Fiscal Year Surplus

The Province of Alberta is assured of a substantial surplus for the fiscal year ending March 31, 1943, according to a recent accounting made to the Legislature by Solon Low, Provincial Treasurer. The province, according to Canadian press advices, proposes to pass a supplementary appropriation of $1,000,000 chargeable against the 1942-1943 budget. This amount, it was stated, will form the nucleus for a post-war reconstruction fund that will help to lighten some of the Province's burden when revenues may be expected to decline from war-time levels.

Mr. Low reported to the Legislature that the "financial statement for the nine-months' period of the current fiscal year indicates that we can anticipate a substantial surplus on all accounts to report when the accounts are closed at the end of the year." On the basis of this statement, indications are that the 1942-1943 surplus will exceed the figure of $229,574 estimated by the Provincial Treasurer in his budget forecast a year ago. Without allowing for new taxes or increases in existing levies, a deficit of $291,809 is indicated for fiscal period ending March 31, 1944, Mr. Low reported.

Debt Reduced

The Treasurer reported that the net funded and unfunded debt of the Province at Dec. 31, 1942, amounted to $140,900,000, as compared with $143,100,000 a year earlier, a net decrease for the calendar year of $2,200,000. This decline, according to report, includes a reduction of $812,123 made in the funded debt due to accretions to the sinking funds of $693,075 and sundry payments on Treasury bills held by the Dominion, in addition to cancellation of Alberta registered stock totalling $119,048. The unfunded debt shows a decrease of $1,148,254 accounted for by a reduction in savings certificates and an increase in cash and investments of $1,131,536 which is set off against the unfunded portion of the debt.

Mr. Low reviewed last summer's negotiations concerning a debt refunding plan for the Province, which ended in a stalement, with the Province asking for a 3½% basis as against the 4% level sought by the bondholders' group.

DIVIDEND NOTICES

COLUMBIA GAS & ELECTRIC CORPORATION

The Board of Directors has declared this day the following dividends:

Cumulative 6% Preferred Stock, Series A
No. 66; quarterly, $1.50 per share

Cumulative Preferred Stock, 5% Series
No. 56, quarterly, $1.25 per share

5% Cumulative Preference Stock
No. 45, quarterly, $1.25 per share

payable on May 15, 1943, to holders of record at close of business April 20, 1943.

DALE PARKER, Secretary
April 1, 1943

NATIONAL DISTILLERS PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on May 1, 1943 to stockholders of record on April 15, 1943. The transfer books will not close.

THOS. A. CLARK, TREASURER
March 25, 1943

JOHN MORRELL & CO.

DIVIDEND NO. 55

A dividend of Twenty-five Cents ($0.25) per share on the capital stock of John Morrell & Co., will be paid April 30, 1943, to stockholders of record April 12, 1943, as shown on the books of the Company.

Ottumwa, Iowa. Geo. A. Morrell, Treas.

DIVIDEND NOTICES

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

New York, N. Y., April 5, 1943.

The Board of Directors, on March 30, 1943, declared a dividend of One Dollar and Fifty Cents ($1.50) per share, being Dividend No. 121, on the Common Capital Stock of this Company, payable June 1, 1943, to holders of said Common Capital Stock registered on the books of the Company at close of business April 30, 1943.

Dividend checks will be mailed to holders of Common Capital Stock who have filed suitable orders therefor at this office.

D. C. WILSON, Assistant Treasurer,
120 Broadway, New York, N. Y.

a.c.f.

AMERICAN CAR AND FOUNDRY COMPANY

30 CHURCH STREET
NEW YORK, N. Y.

The following dividends have been declared:

Preferred Capital Stock

One and three-quarters per cent (1¾%) payable April 26, 1943, to the holders of record at the close of business April 16, 1943;

Common Capital Stock

One dollar ($1.00) per share payable April 26, 1943, to the holders of record at the close of business April 16, 1943.

Transfer books will not be closed. Checks will be mailed by Guaranty Trust Company of New York.

CHARLES J. HARDY, *President*
HOWARD C. WICK, *Secretary*

April 6, 1943

RADIO CORPORATION OF AMERICA

First Preferred Dividend

The Directors have declared a dividend of 87½¢ per share on the outstanding $3.50 Cumulative First Preferred Stock for the period April 1, 1943 to June 30, 1943, payable July 1, 1943 to holders of record at the close of business June 11, 1943.

GEORGE S. DE SOUSA,
Vice-President and Treasurer

New York, N. Y., April 2, 1943

RADIO CORPORATION OF AMERICA

Notice of Redemption of "B" Preferred Stock

Notice is hereby given that Radio Corporation of America has elected to redeem on July 1, 1943, all outstanding "B" Preferred Stock of said corporation at $100 per share and dividends accrued thereon to the redemption date, a total of $101.25 per share. There are 11,891 shares of "B" Preferred Stock outstanding.

Holders of "B" Preferred Stock should surrender the certificates therefor, with appropriate letter of transmittal, to The Corporation Trust Company, 120 Broadway, New York, N. Y. Copies of the letter of transmittal will be mailed to stockholders of record. The redemption price will be paid by check to the order of the registered holder of the stock presented for redemption, unless the certificates for such stock shall be duly endorsed or accompanied by an assignment duly executed (with signatures duly guaranteed) and duly stamped for transfer. Checks for the redemption price ($101.25 per share) will be mailed on June 30, 1943, in respect of all stock surrendered in proper form for redemption prior to that date.

For the convenience of stockholders, transfers of "B" Preferred Stock will be made on the books of the corporation up to the close of business on June 30, 1943, but not thereafter.

Dated, New York, N. Y., April 2, 1943

RADIO CORPORATION OF AMERICA

By GEORGE S. DE SOUSA
Vice-President and Treasurer

The Securities Salesman's Corner

Treasury's Second Victory Fund Drive Is An Opportunity To Build Up Your Business

One of the most difficult problems most securities salesmen have to overcome is that of making the "right contacts" under favorable circumstances. The Second Victory Loan Drive, which will be launched throughout the country on April 12th, in this respect, is the perfect answer to every salesman's prayer. In each community there are a number of investors that every salesman would like to meet—but they remain only potential clients. Some of these investors are too busy to see you during regular business hours—others don't care to meet any more securities men—there are some you could meet providing you had an introduction from one of their friends, but this isn't always possible—all in all, there are a number of excellent prospects whom you might some day turn into valuable clients—but first you must be able to meet them.

Now, with the coming of this Government Bond Drive, every salesman has his patriotic duty cut out for him and, in addition, he also has a chance to get paid for his efforts. True enough, the securities industry is about the only business in the country that is being requested to donate its services and its facilities without any recompense whatsoever for doing an essential war job—yet there is an indirect opportunity for personal reward, inasmuch as every new contact made through this drive will remain a potential source of future investment business.

THIS IS AN OPPORTUNITY TO MEET MR. "HARD TO SEE" AT A TIME AND UNDER CIRCUMSTANCES THAT ARE EXTREMELY FAVORABLE.

During the First Victory Loan Drive we heard of one salesman who made up a list of several hundred of the most prominent business and professional people in his community. He put a generous supply of his own personal calling cards in his pocket and started out to sell Governments. His approach was: "Tell Mr. So and So that a representative of The United States Treasury is here to see him!"

Needless to say, that approach got him through plenty of doors. After all, he wasn't misrepresenting a thing—that's exactly what he was—a representative of the Treasury. The majority of his prospects were so relieved to find out that all he wanted to do was to sell them some Governments that he told us it helped his sales considerably. Several of the new contacts he made during the first drive have more than repaid him for his efforts in the commissions he has earned on regular business consummated since that time.

This is one time when alert sales organizations can take advantage of a patriotic opportunity to build up their circle of potential customers. If properly handled this drive can be one of the best mediums for meeting new investors that those of us who see our way clear to give the time and effort have ever before enjoyed.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1285)

For the inflation-minded, whose means of protection are meager the stock market is about the only thing open. This doesn't mean that everything is going up right away. There are other things to consider. Among them the element of timing is most important. You'll get no satisfaction, for example, in buying a stock at, say, 50 because it's "sure to go to 100" and then see it go to 30 before it starts up to the 100 price. The chances are you'll get out at the lower figure. So any later advance will leave you nothing but memories and a handful of order slips to console yourself with.

* * *

All the foregoing leads up to the following conclusions. Inflationary markets are to be handled no different than any other advancing markets. Holders of stocks bought at lower levels (I assume regular readers have done so) should take large profits in part of their holdings and place stops on the rest. Specifically, here is what I mean:

* * *

Bethlehem Steel bought at 58 is now about 69. Take partial profits across 70 and stop the rest at 64. Goodyear bought at 22½ is now about 37. Take part profits across 39; stop rest at 32. International Harvester bought at 43 is now about 69. Take part profits at 70 or better and stop rest at 63. Superheater bought at 13½, now about 18. Sell part at about 20 and stop rest at 15.

* * *

In following such a program the only loss you can sustain is mental. If the market continues up without reacting you may lose part of your position. But there's nothing sure about the market and you can't protect yourself against everything.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Central of N. J. Looks Good

The general first mortgage 5% and 4% bonds of The Central RR. Co. of New Jersey offer a situation for investors, with attractive possibilities, according to Ward & Co., 120 Broadway, New York City. Copies of a special report on the company, with particular reference to the first 5% and 4% bonds, may be had from the firm upon request. Ask for Report No. 271.

Sentenced

John Woolcott Forbes and Alfred Ernest Dawson were sentenced to terms of four and five years, respectively, in U. S. District Court, after confessing partnership in a series of stock frauds. Both men, it is reported, are being sought for stock swindles by Canada and extradition proceedings have been instituted by Australia against Mr. Forbes for an alleged $10,000,000 security fraud perpetrated there.

Our Reporter's Report

(Continued from first page)

ment Bankers Association of America should have what it takes in the security field.

And it's well to remember that quite a few of the fellows in this organization were with the AEF which went to France 25 years ago. They know from bitter experience what it means to have the tools to do the job, and that's a safe guarantee that neither they nor the groups they direct will do any shirking in the weeks ahead.

Wilson & Co. First 3s

Only one substantial new offering remains to reach market in advance of the Treasury's drive, namely that involving the $20,000,000 of 15-year first mortgage 3% of Wilson & Co., one of the Big Five Packers.

This issue is being offered today by Smith, Barney & Co. and Associates at a price of 100 and interest.

As far as the actual issue is concerned, the only worry among dealers seemed to be whether or not they would be able to obtain all the bonds wanted, as preliminary inquiry was such as to suggest the likelihood of scaling-down of allotments.

Kansas City Terminal Railway

Although it would have to come on the market in the course of the Treasury's operation, underwriting circles were confident that the big refinancing planned by the Kansas City Terminal Railway Company would probably be allowed to go through without interference.

Since it is not an issue involving any new money, but rather a purely refunding operation, the net result, it was contended, would be nil so far as effect on the War Loan Drive is concerned.

Bankers were disposed to anticipate a call by the company for bids to be opened along about the end of next week for this $47,000,000 project.

They expect a call to bid on $20,000,000 to $25,000,000 of serials maturing from 1947 to 1972 and the balance of $22,000,000 to $27,000,000 in the form of term bonds to mature in 1973.

Status of Recent Offerings

Naturally there has been a tendency to follow the behavior of recently marketed issues rather closely as a means of obtaining a cue to the temper of the individual and institution investor.

Inquiry reveals the fact that the Puget Sound Power & Light Company's 4¼s, offered last week at 104.25, enjoy a steady demand ruling at a premium of ½ to ⅝ over the offering price.

Public Service Company of New Hampshire 3¼s, which were marketed at a price of 108, are still a bit laggard, bulwarked by the syndicate bid, and remain something over half sold.

Erie Railroad's $10,000,000 of serials, which were offered to the public at prices to yield from 1% to 3.15%, according to maturity, likewise are said to be still a bit sluggish, but moving gradually.

Prospects For Advertising

Herbert E. Stern & Co., 30 Pine St., New York City, members of the New York Curb Exchange, have issued a circular entitled "Prospects for the Advertising Industry," copies of which they will supply upon request.

CANADIAN SECURITIES

By BRUCE WILLIAMS

Anyone familiar with the situation will agree that there are few, if any, bargains left among strictly high-grade domestic bonds. The easy money policy of our Government and the competition of a rapidly expanding volume of funds for the limited supply of bonds have created a sellers' market without precedent in the history of this country.

However, by present standards, bargains are still to be found among highest-grade Canadian bonds. That such opportunities still exist is due, as might be expected, to an unusual supply-demand situation with respect to the particular issues now in the "bargain" group. We have in mind specifically the non-callable Canadian National Railway bonds payable in United States funds.

Bonds of the Canadian National Railway are unconditionally guaranteed as to payment of both principal and interest by the Dominion of Canada. They are fully equal in quality to Canadian Government bonds inasmuch as they are, in effect, the same thing. An opinion rendered by the well-known Toronto legal firm of Daly, Hamilton & Thistle on this point concludes as follows:

"In the event that the Canadian National Railway Company should fail to make any payments of money legally due and payable for principal and interest in respect of Bonds so guaranteed, the Dominion of Canada would be legally bound by the Guarantee to make such payments. If it became necessary for the Government of the Dominion to provide money to meet the payments so guaranteed, such money could be raised by taxation in the same way as monies required to meet direct obligations of the Dominion of Canada, and the Government could use its taxing powers to the fullest extent necessary for such purposes. It follows, therefore, that Bonds so guaranteed are fundamentally secured by the full credit and taxing power of the Dominion of Canada to the same extent and equally with its direct obligations."

One would naturally expect the Dominion-guaranteed Canadian National Railway bonds to sell on approximately the same yield basis as the direct obligations of the Canadian Government. However, the spread between the two groups is considerable. For example, 15-year Canadian Government bonds are currently selling around a 2.90 yield basis. Yet the Canadian National Railway non-callable 4½s of 1956 and 1957 are currently available on a 3.25 to 3.35 yield basis. This amounts to a yield spread of 35 to 45 points.

What is the reason for the relative cheapness of the Dominion-guaranteed bonds? Is it more than just the normal tendency to value a guaranteed issue lower than a direct obligation? Judging by the size of the spread, that can hardly be the full answer, although it is undoubtedly a factor to be considered. The real reason, we believe, is that advanced by a leading dealer in Canadian securities. Stated simply, it is that unusual circumstances brought about by the war have temporarily resulted in a liberal supply of these bonds being offered for sale in the United States.

The circumstances referred to are:

1. The bonds are largely payable in British and Canadian funds as well as in United States dollars and large amounts of them were held in England and Canada before the war.

2. The premium on United States dollars over the English pound and Canadian dollars has made it profitable for nationals of those countries to sell their holdings of such bonds in the American market. They can thereby realize the current premium on the United States dollar and can reinvest their funds at substantially higher yields in the internal Government obligations of their own countries.

These circumstances have existed for quite some time, but it was not until the war outlook began to brighten and the effects of wartime exchange rates could be appraised that the flow of Dominion-guaranteed bonds into this country reached volume proportions. An examination of leading domestic insurance company portfolios as of the 1942 year-end will reveal where many of these "bargain" bonds have been going.

Curb Groups Elect Officers for Year

At the annual meeting of the board of directors of the New York Curb Exchange Securities Clearing Corporation the following officers were appointed for the ensuing year:

Fred C. Moffatt, President.

David U. Page, Vice-President.

James A. Corcoran, Second Vice-President.

William B. Steinhardt, Secretary and Treasurer.

Austin K. Neftel, Assistant Treasurer.

C. E. Sheridan, Assistant Secretary.

James R. Dyer and William Will were elected directors, and Messrs. Corcoran, Page, Steinhardt and Theodore A. Winter were appointed members of the Executive Committee to serve with the President.

At the annual meeting of shareholders of the New York Curb Exchange Realty Associates, Inc., Austin K. Neftel and Charles M. Finn were elected directors for three years. Fred C. Moffatt and David U. Page were elected inspectors of election for the annual meeting in April, 1944. At the organization meeting, which followed, David U. Page was elected President; Austin K. Neftel, Vice-President; Wilmont H. Goodrich, Executive Vice-President, and Christopher Hengeveld Jr., Secretary-Treasurer. William B. Steinhardt was appointed Assistant Treasurer.

No Currency Depreciation Or Cheapening Of Dollar Planned

(Continued from first page)

DANIEL W. BELL
Under Secretary of the Treasury

The security of the dollar appears to us to be beyond all question. Our dollar is backed by the credit and resources of the wealthiest and most powerful nation on earth. Our gold stocks, which amount to nearly $23,000,000,000, together with the esteem in which the American dollar is held throughout the world, are additional evidence of the high degree of security of the dollar. We have every reason to believe that in the post-war period the American dollar will continue to be the dominant currency of the world.

The Secretary of the Treasury has always regarded the security and stability of the dollar as a primary objective of Treasury policy. We do not contemplate currency depreciation or a cheapening of the dollar in any way as a means of reducing the national debt. The amount and rate of debt reduction in the post-war period must, of course, be dictated by such considerations as the effect of repayments on employment and business activity.

The Treasury has sought to avert inflation in its tax recommendations and in its campaign to borrow as much as possible out of the current savings of individual income receivers. We have also urged the employment of direct controls, such as rationing and price control as an indispensable part of the anti-inflationary program. We are confident that the application of the policies outlined in the President's seven-point stabilization program will prevent serious price rises and that we shall be successful in maintaining the purchasing power of the dollar.

S. H. LOGAN
President, The Canadian Bank of Commerce

I heartily agree with Dr. Spahr that for a government deliberately to adopt a policy of inflation in the post-war period solely for the purpose of lightening the national debt load is stupid and grossly unjust. It is stupid because they have the power to distribute by taxation with some equity the debt burden amongst those most capable of bearing it, and they would be choosing instead the haphazard distribution of the weight of sacrifice without any relation to economic position or capacity to pay.

Photo by Ashley & Crippen
S. H. Logan

It is grossly unjust, because it is the little man living on wages, which always lag behind the rise in prices, the life insurance policy holder, the pensioner and other retired person, upon whom is thrust the brunt of an inflationary rise in prices.

EDWARD BALL
President, Florida National Bank

I have read with a great deal of interest the four-point program by Dr. Walter E. Spahr. It seems to me that the four-point program that Dr. Spahr sets out is sound, figuring on "old fashioned arithmetic," which seems to be out of date in these days. I doubt that this four-point program can be carried through successfully when you consider both the political and economic trend of the day and in the event that we should have inflation, or dollar devaluation, I anticipate that the results may not be quite as bad as Dr. Spahr foresees. I am prompted to the observation, through a rather long life, that the evils one fears, when they come to pass, are rarely as bad as one has anticipated they will be.

CHARLES IRVING DANFORTH
President, First Dakota National Bank, Yankton, S. D.

I have read with a great deal of interest the article by Dr. Spahr in your March 4 issue. I have been greatly concerned about the future of our monetary system ever since the devaluation of the dollar. It appears to me that Dr. Spahr outlines a sensible and workable approach to the problem. I believe that I cannot agree with his suggestion number 4 that plans on a permanent national debt. I would feel that in view of tendencies of State and Federal debts to continually increase and with due consideration that history tells us wars are bound to re-occur, it would be the part of good judgment to plan some systematic reduction of the debt. If this were not done we might survive this storm only to sink in the next one.

The thing that makes me pessimistic about the situation of our monetary unit is that so few people are interested or have any appreciation of what is happening. While I talk to many people very few show more than a passing interest.

I find that many times the story of some isolated case brings more attention to the problem than any amount of tremendous totals will make generalization. Two that I have used appear below as examples:

The other day I was talking to a party, speaking of what was happening, and I happened to have in my hand the statement of one of the banks at (name of city deleted by Editor). I said that I could show them what I meant and reached into my file, drawing out the statement of same bank dated Dec. 31, 1932. At that time there were savings deposits (money saved up for future use, of $955,000), individual deposits subject to check, $315,000, (for immediate expenses, to buy a house, farm or what the depositor wishes). This same bank, Dec. 31, 1942, showed $822,000 savings accounts, so that actual savings were less than in 1932, while deposits subject to check amounted to $2,290,000, or roughly $2,000,000 more than the early statement. You can imagine what will happen when those people start spending that money. That bank is no different than any other. As long as the war financing continues, we know these deposits are almost sure to increase.

A few weeks ago I was talking with a farmer about the taxes paid by industry. I happened to have the third quarterly report of the earnings of the U. S. Steel Corporation in my hand. I pointed out to this man the total amount paid for taxes in this period, $215,000,000. The amount paid to stock holders in the same period was $45,000,000. So that it was as though the Government went to a farmer and took five out of every six rows in his corn field. But that was not the end of taxation, because when the farmer had the sixth row husked and was ready to shovel it into the corn crib the Government stopped him and took an additional amount; for each stockholder had to pay his personal income tax on the amount received in dividends.

Here you have a corporation that is in a notoriously prince-and-pauper industry. Taxation is making it very hard to lay aside any funds in the good years to help out in the poor years. The present situation is interesting when it is considered from the angle that the actual volume of production of this company is greater than it has ever been. The rate paid labor is greater than it has ever been. Management, except for the effects of the salary ceiling, has been well paid. The Government has taken more from the company in taxation than ever before. The quality of the product has been improved. The only one receiving less than before is the poor fellow who saved and denied himself to accumulate the capital that makes the corporation possible.

Treasury Plan For Stabilizing Currency Of United Nations Outlined By Morgenthau

Details of the tentative proposals of Secretary of the Treasury Morgenthau to establish an international stabilization fund were made known by Mr. Morgenthau on April 6, in what is termed the "preliminary draft outline of proposal for a United and Associated Nations Stabilization Fund." While further reference is made to the plan in another item appearing on the cover page of Section Two of today's issue. We are giving herewith the outline as made available by the Treasury, and as contained in Associated Press advices from Washington April 6, published in the New York "Times:"

I. Purposes of the Fund

1. To stabilize the foreign exchange rates of the currencies of the United Nations and nations associated with them.

2. To shorten the periods and lessen the degree of disequilibrium in the international balance of payments of member countries.

3. To help create conditions under which the smooth flow of foreign trade and of productive capital among the member countries will be fostered.

4. To facilitate the effective utilization of the abnormal foreign balances accumulating in some countries as a consequence of the war situation.

5. To reduce the use of foreign exchange controls that interfere with world trade and the international flow of productive capital.

6. To help eliminate bilateral exchange clearing arrangements, multiple currency devices, and discriminatory foreign exchange practices.

II. Composition of the Fund

1. The fund shall consist of gold, currencies of member countries and securities of member governments.

2. Each of the member countries shall subscribe a specified amount which will be called its quota. The aggregate of quotas of the member countries shall be the equivalent of at least $5,000,000,000.

The quota for each member country shall be determined by an agreed-upon formula. The formula should give due weight to the important factors relevant to the determination of quotas, e.g., a country's holdings of gold and foreign exchange, the magnitude of the fluctuations in its balance of international payments, and its national income.

3. Each member country shall provide the fund with 50% of its quota on or before the date set by the board of directors of the fund on which the fund's operations are to begin.

4. The initial payment of each member country (consisting of 50% of its quota) shall be 12.5% of its quota in gold, 12.5% in local currency and 25% in its own (i.e., government) securities. However, any country having less than $300,000,000 in gold need provide initially only 7.5% of its quota in gold, and any country having less than $100,000,000 in gold need provide initially only 5% of its quota in gold, the contributions of local currency being increased correspondingly. A country may, at its option, substitute gold for its local currency or securities in meeting its quota requirement.

5. The member countries of the fund may be called upon to make further provision toward meeting thir quotas pro rata at such times, in such amounts and in such form as the board of directors of the fund may determine, provided that the proportion of gold called for shall not exceed the proportion indicated in II-4 above, and provided that a four-fifths vote of the board shall be required for subsequent calls to meet quotas.

6. Any changes in the quotas of member countries shall be made only with the approval of a four-fifths vote of the board.

III. Powers and Operations

The fund shall have the following powers:

1. To buy, sell and hold gold, currencies, bills of exchange and government securities of member countries; to accept deposits and to earmark gold; to issue its own obligations and to discount or offer them for sale in member countries, and to act as a clearing house for the settling of international movements of balances, bills of exchange and gold.

All member countries agree that all of the local currency holdings shall be free from any restrictions as to their use. This provision does not apply to abnormal war balances acquired in accordance with the provisions of III-9, below.

2. To fix the rates at which it will buy and sell one member's currency for another and the rates in local currencies at which it will buy and sell gold. The guiding principle in the fixing of such rates shall be stability in exchange relationships. Changes in these rates shall be considered only when essential to correction of a fundamental disequilibrium and be permitted only with the approval of four-fifths of member votes.

3. To sell to the Treasury of any member country (or stabilization fund or central bank acting as its agent), at a rate of exchange determined by the fund, currency of any member country which the fund holds, provided that:

A. The foreign exchange demanded from the fund is required to meet an adverse balance of payments on current account with the country whose currency is being demanded.

B. The fund's holdings of the currency of any member country shall not exceed during the first year of the operation of the fund the quota of that country; it shall not exceed during the first two years 150% of such quota; and thereafter it shall not exceed 200% of such quota; except that upon approval by four-fifths of the member votes the fund may purchase any local currency in excess of these limits, provided that at least one of the following two conditions is met:

(1) The country whose currency is being acquired by the fund agrees to adopt and carry out measures recommended by the fund designed to correct the disequilibrium in the country's balance of payments, or

(2) It is believed that the balance of payments of the country whose currency is being acquired by the fund will be such as to warrant the expectation that the excess currency holdings of the fund can be disposed of within a reasonable time.

C. When the fund's net holdings of any local currency exceed the quota for that country, the country shall deposit with the fund a special reserve in accordance with the regulations prescribed by the board of directors. This provision does not apply to currencies acquired under III-9 below.

D. When a member country is exhausting its quota more rapidly than is warranted in the judgment of the board of directors, the board may place such conditions upon additional sales of foreign exchange to that country as it deems to be in the general interest of the fund.

E. A charge at the rate of 1% per annum, payable in gold, shall be levied against any member country on the amount of its currency held by the fund in excess of the quota of that country. Abnormal war balances acquired by the fund (in accordance with III-9 below) shall not be included in the computed balance of local currency used as a basis for this charge.

F. When the fund's holdings of the local currency of a member country exceed the quota of that country, upon request by the member country the fund shall resell to the member country the fund's excess holdings of the currency of that country for gold or acceptable foreign exchange.

4. The right of a member country to purchase foreign exchange from the fund with its local currency for the purpose of meeting an adverse balance of payments on current account is recognized only to the extent of its quota, subject to the limitation in III-3 above and III-7 below.

5. With the approval of four-fifths of the member votes, the fund in exceptional circumstances may sell foreign exchange to a member country to facilitate transfer of capital, or repayment or adjustment of foreign debts, when in the judgment of the board such a transfer is desirable from the point of view of the general international economic situation.

6. When the fund's holding of any particular currency drops below 15% of the quota of that country, and after the fund has used for additional purchases of that currency,

(a) Gold in an amount equal to the country's contribution of gold to the fund, and

(b) The country's obligations originally contributed,

the fund has the authority and the duty to render to the country a report embodying an analysis of the causes of the depletion of its holdings of that currency, a forecast of the prospective balance of payments in the absence of special measures and, finally, recommendations designed to increase the fund's holdings of that currency. The board member of the country in question should be a member of the fund committee appointed to draft the report. This report should be sent to all member countries and, if deemed desirable, made public. Member countries agree that they will give immediate and careful attention to recommendations made by the fund.

7. Whenever it becomes evident to the board of directors that the anticipated demand for any particular currency may soon exhaust the fund's holdings of that currency, the board of directors of the fund shall inform the member countries of the probable supply of this currency and of a proposed method for its equitable distribution, together with suggestions for helping to equate the anticipated demand and supply for the currency. The fund shall make every effort to increase the supply of the scarce currency by acquiring that currency from the foreign balances of member countries. The fund may make special arrangements with any member country for the purpose of providing an emergency supply under appropriate conditions which are acceptable to both the

(Continued on page 1303)

Stetson Of Guaranty Trust Presents ARC Citation To Douglas Of Mutual Life

Eugene W. Stetson, President of the Guaranty Trust Company of New York and Chairman of the Commerce and Industry Committee, 1943 Red Cross War Fund, presents the "A", "R" and "C" citation to Lewis W. Douglas, President of the Mutual Life Insurance Company, and receives from Mr. Douglas a check for $50,000, drawn on the Guaranty Trust Company, as The Mutual Life's contribution to the Fund. The triple citation is for contributions by the Company, its executives and employees. Mr. Stetson's company, the Guaranty Trust, was the first bank to receive the ARC citation, and The Mutual Life was among the first companies to report individual contributions from 100% of its employees and executives. Left to right are: Julian S. Myrick, 2nd Vice-President of The Mutual Life; Mr. Douglas; Bernon S. Prentice, Chairman of the Finance Section of the Commerce & Industry Committee; Mr. Stetson; Miss Janet Beadie of The Mutual Life's Red Cross Committee, and H. W. Stewart, the Committee's Chairman.

President May Ask For Legislation On International Currency Plans

President Roosevelt told his press conference on April 6 that he may make several legislative requests in connection with international currency plans but that none of these would be put forth until the exploratory talks among the United Nations have been completed. As to this, Washington advices to the "Wall Street Journal" of April 7 said:

"The only exception to that rule, according to the President, will be in connection with the existing law which gives the President gold powers, including devaluation of the dollar. These powers are due to expire June 30. The President pointed out that in previous times Congress has extended the effectiveness of some laws for a relatively short period during which time a study could be continued. The whole thing can be dropped at the end of the temporary extension if Congress wants to let it die then, he said.

"The President made it plain that he believes any kind of action taken by this Government in conjunction with other nations and which would affect the gold reserves of this country would be fortified by a Congressional statute. Asked whether he agreed that it is necessary to have his gold powers in existence while the negotiations continue, the President replied that he thought if it affects the gold reserves he ought to get Congressional action anyway."

Real Estate Securities

(Contnued from page 1284)

ting profit for the first two months of 1943 was $69,234.24 compared with $24,383.43 for the corresponding period of 1942. This is considerably over a 250% increase. (The **two-month** gross operating profit of $69,234.24 is an interesting comparison with the **twelve-month** gross operating profit of $162,397.04 for the entire year of 1942—a fair expectation of better interest payments). The Management, in announcing these figures, warned that the results thus far this year should not be considered an indication that this improvement will be continued indefinitely. They gave as their reason that war conditions present problems which add to the difficulties of the hotel business. Included among these are food rationing, labor shortage, increasingly higher wage scales and the shortages of material.

Yet, the past earning experience of this hotel has been so poor that if only a part of this increased business referred to above can be maintained, the position of the bondholders should be much better than heretofore.

The annual report for the year ended December, 1942, showed current assets (including cash of $66,379.53) amounting to $166,417.34 and current liabilities of $73,429.22.

Price range of the bonds since reorganization was a low of 7½ in 1941 and a high of 44½ in 1937.

1942 Utility Financing Down Sharply, Says SEC

There were 58 issues of securities of electric and gas utility companies, with a total principal amount of $376,979,353, either publicly offered or privately sold during 1942, according to an analysis prepared by the Public Utilities Division of the Securities and Exchange Commission. In making this known last month, the Commission stated that this brings the total for the eight years ending Dec. 31, 1942, to 597 issues of electric and gas utilities, amounting to $7,098,538,334 principal amount. In 1941, 108 security issues with a principal amount of $840,734,549 were similarly offered or sold by this class of utility companies, while in 1940 the aggregate was 86 issues in the principal amount of $881,247,251.

The Commission's announcement regarding the study further said:

"According to the analysis, the 597 issues covering the eight-year period were offered by 259 separate utility companies, of which 224 were operating electric and gas utilities and 15 were utility holding companies. The analysis represents all issues of securities of this type of utility companies of which the Commission has a record under both the Securities Act of 1933 and the Public Utility Holding Company Act of 1935.

"Of the 58 issues of securities offered during 1942, 28 were bond issues, aggregating $241,264,000, with an average coupon rate of 3.51% and an average yield to purchasers of 3.29%. This compares with 61 issues of bonds in 1941, amounting to $642,874,000, upon which the average coupon rate was 3.40% and the average yield to purchasers was 3.15%. Likewise, in 1940, bond offerings totaled 43 issues, amounting to $759,336,000, with an average coupon rate of 3.29% and average yield to purchasers of 3.05%. During the entire eight-year period there were 355 bond issues totaling $5,681,506,951.

"During 1942 there were three debenture issues amounting to $16,250,000 as compared with three such issues totaling $13,400,000 in 1941 and four issues of debentures aggregating $40,750,000 in 1940. During the eight-year period there were 45 debenture issues amounting to $639,050,095.

"There were also 18 note issues offered during 1942, amounting to $75,734,448, as compared with 25 issues totaling $114,826,000 during 1941, while the aggregate amount of 110 note issues during the eight-year period was $374,286,589.

"Seven preferred stock issues amounting to $43,423,000 were offered during 1942, while there were 15 such issues aggregating $68,563,400 in 1941 and 16 issues in the sum of $51,441,300 in 1940. During the eight-year period 75 issues of preferred stock amounting to $387,830,100 were offered.

"The coupon rate of bond issues varied from 2.5% to 6.0% during the eight-year period ending Dec. 31, 1942. There were 88 bond issues totaling $1,782,125,500 on which the coupon rate was 3½%.

"The analysis was prepared by C. A. Turner, under the supervision of John W. Houser, Director of the Public Utilities Division. A copy of the report may be obtained upon request from the Publications Unit of the Securities and Exchange Commission, Philadelphia, Pa."

Banking Group Offers $20,000,000 Bonds

Public offering is being made today of $20,000,000 Wilson & Co., Inc., 3% first mortgage bonds by a syndicate headed jointly by Smith, Barney & Co., and Glore, Forgan & Co. The bonds, dated April 1, 1943, and due April 1, 1958, are available to investors at a price of 100 and interest. Preliminary inquiry indicated a strong demand for the issue from investment sources.

Proceeds from the sale, together with general funds of the company, are to be applied not later than June 1, 1943, to the redemption of the $16,390,000 face amount of outstanding first mortgage 20-year bonds, series A, 4%, due July 15, 1955, at 104% plus accrued interest, and to the redemption of $4,165,000 face amount of outstanding convertible 3¾% debentures, due April 1, 1947, at 102% plus interest. Of the debentures $907,350 now are on deposit in the sinking fund.

Calendar of New Security Flotations

OFFERINGS

HEYDEN CHEMICAL CORP.

Heyden Chemical Corporation has filed a registration statement for 40,000 shares of cumulative preferred stock, series A, $100 par value. The dividend rate will be supplied by amendment.

Address—50 Union Square, N. Y. City.

Business—Company is engaged in the manufacture and sale of synthetic organic chemicals for industrial and medicinal uses.

Underwriting—A. G. Becker & Co., Inc., New York, is named principal underwriter. Others are to be supplied by amendment.

Offering—Price to public, plus accrued dividends from March 1, 1943, to date of delivery, is to be filed by amendment.

Proceeds—Of the net proceeds, $2,037,000 will be applied towards the redemption at $105 per share, plus accrued dividends, of all of the outstanding 19,400 shares of 4¼% cumulative preference stock of the company. All shares of 4¼% preference stock so redeemed will be retired and will not be reissued. The balance of net proceeds will be added to working capital. The company requires such additional working capital in order to finance the increased inventories and accounts receivable resulting from its presently increased business and expanded operations.

Registration Statement No. 2-5108. Form S-1. (2-18-43).

In an amendment to its registration statement filed March 31, Heyden Chemical Corp. fixed the interest rate on its proposed issue of 40,000 shares of cumulative preferred stock, series A, at 4%. Stock has par value of $100. Offering price to the public will be $100 per share.

The underwriters and shares underwritten are as follows: A. G. Becker & Co., Inc., 13,000 shares; Lehman Brothers, 8,000 shares; Merril Lynch, Pierce, Fenner & Beane, 8,000 shares; Hornblower & Weeks 5,500 shares, and Ladenburg, Thalmann & Co., 5,500 shares.

In its amended statement the corporation also has registered 20,997 shares of common, par $2.50 per share. These shares are to be offered for subscription pro rata to holders of common stock at the close of business April 1, 1943, in the ratio of one share for each 20 shares held. Offering price is $20 per share. Subscription offer will expire 3 p. m. April 8. Any shares not subscribed for by stockholders will be underwritten by the same group of investment houses which have underwritten the preferred stock.

Proceeds from the sale of both issues will be applied toward the redemption at $105 per share, plus accrued dividends, of all of the outstanding 19,400 shares of 4¼% cumulative preference stock of the company and the balance added to working capital.

Registration effective 5:30 p. m. EWT on April 2, 1943.

Offered April 5, 1943, at 100 and dividends by A. G. Becker & Co., Inc., and associates.

PUGET SOUND POWER & LIGHT CO.

Puget Sound Power & Light Co. has filed a registration statement with the SEC for $52,000,000 first mortgage bonds series due Dec. 1, 1972, and $8,000,000 debentures due Dec. 1, 1951. The interest rates will be supplied by amendment.

Address—860 Stuart Building, Seattle, Wash.

Business—Applicant's properties consist, generally speaking, of electric, gas, steam heat and telephone utility properties located in the central and western portions of the State of Washington. It is engaged principally in the business of generating, transmitting, distributing and selling electric energy in all or parts of 19 counties in the western and central portions of the State of Washington, comprising approximately 4,500 square miles.

Underwriting—Names of underwriters will be supplied by post-effective amendment. The company proposes to sell both the bonds and debentures at competitive bidding. The invitation for bids will provide that each bid covering the bonds shall specify the coupon rate (which shall be a multiple of ¼%) and the price to be paid to the company for the bonds; and each bid covering the debentures shall specify the coupon rate (which shall be a multiple of ⅛%) and the price to be paid to the company.

Offering—The offering price to the public will be supplied by post-effective amendment.

Proceeds—Net proceeds from the sale of the new bonds and the new debentures, together with general funds of the company, are to be used for: Redemption of the old bonds, series A, in the face amount of $36,039,500 at 101½%, or $36,580,093; redemption of the old bonds, series C, in face amount of $8,850,000 at 102%, or $9,027,000, and redemption of old bonds, series D, in face amount of $13,995,000 at 102%, or $14,274,900, or grand total of $59,881,993. There is pending before the SEC an application under Section 11 (e) of the Public Utility Holding Company Act of 1935, by Engineers Public Service Co.—parent company—to which Puget joined as a party, for the approval of a plan for recapitalization of Puget. This plan, if approved, would reduce the percentage of voting power of Puget owned by Engineers from 77.4% to 1.8%. Engineers has been ordered by the Commission to dispose of its entire interest in the company. Engineers has advised Puget that it intends to comply with this order as soon as it can do so.

Registration Statement No. 2-5077. Form A-2. (12-28-42).

The company on Feb. 16, 1943, filed with the SEC amendments to its plan of recapitalization and refinancing making changes in the voting positions of the new stocks and providing for bank loans as a part of the financing instead of short term debentures.

Under the voting change the new common stock is to receive five votes a share instead of the one previously alloted. The voting power of the first preferred will be returned to one vote a share instead of the two granted originally.

The refinancing plan has been modified to substitute $6,500,000 of 3⅛% five year bank loans in place of $8,000,000 of nine year debentures. The plan to sell $52,000,000 of first mortgage bonds remains unchanged.

The bank loans would be eliminated March, 1948, under a plan calling for a $1,000,000 reduction on Sept. 1, this year; $1,000,000 on March 1, 1944, and $562,500 semi-annually until March 1, 1948.

The changes in the voting powers of the preferred and common stocks were made to meet objections of the SEC which felt under the original plan the preferred had been given excessive voting power.

The Chase National Bank will take $3,000,000 of the proposed bank loans; the Harris Trust & Savings Bank $1,000,000 and nine Seattle banks the balance.

The SEC on March 16, 1943, approved the company's refinancing program.

Amendment filed March 10, 1943, to defer effective date.

Registration effective 3:30 p.m. (EWT) on March 16, 1943, as of 5:30 p.m. (EWT) Jan. 16, 1943.

Stone & Webster and Blodget, Inc., Lehman Brothers, Halsey, Stuart & Co., Inc., and associates, on March 29, 1943, bid 102.05 for the issue, as 4½s, this being the only bid submitted.

Stone & Webster and Blodget, Inc., Lehman Brothers and Halsey Stuart & Co., Inc., and associates, on April 2, 1943, offered $52,000,000 first mortgage bonds 4¼% series due Dec. 1, 1972, at 104¼ and interest.

WILSON & CO., INC.

Wilson & Co., Inc., have filed a registration statement for $20,000,000 first mortgage bonds, 3% series, dated April 1, 1943, due April 1, 1958.

Address—4100 South Ashland Avenue, Chicago, Ill.

Business—Engaged in what is commonly called the meat packing business, which consists of buying, slaughtering and dressing live stock, and processing and selling meats, meat food products and related products.

Underwriting—Underwriters are: Smith, Barney & Co., $2,500,000; Glore, Forgan & Co., $2,500,000; A. C. Allyn & Co., Inc., $250,000; Bacon, Whipple & Co., $150,000; A. G. Becker & Co., Inc., $400,000; Blair & Co., Inc., $500,000; Blair, Bonner & Co., $150,000; Blyth & Co., Inc., $1,000,000; Central Republic Co., Inc., $300,000; E. W. Clark & Co., $150,000; J. M. Dain & Co., $100,000; Farwell, Chapman & Co., $100,000; First Boston Corp., $1,000,000; Goldman, Sachs & Co., $650,000; Hallgarten & Co., $1,000,000; Harriman Ripley & Co., Inc., $1,000,000; Harris, Hall & Co., Inc., $400,000; Hemphill, Noyes & Co., $350,000; Henry Herrman & Co., $100,000; Hornblower & Weeks, $500,000; Illinois Co. of Chicago, $150,000; Janney & Co., $150,000; Kalman & Co., Inc., $100,000; Kebbon, McCormick & Co., $150,000; Lazard Freres & Co., $500,000; Lee Higginson Corp., $500,000; Lehman Brothers, $1,000,000; Mellon Securities Corp., $1,000,000; Milwaukee Co., $200,000; F. S. Moseley & Co., $300,000; Newhard, Cook & Co., $100,000; Piper, Jaffray & Hopwood, $100,000; Stern Brothers & Co., $150,000; Stone & Webster and Blodget, Inc., $500,000; Stroud & Co., Inc., $150,000; Swiss American Corp., $300,000; G. H. Walker & Co., $200,000; White, Weld & Co., $350,000; Wisconsin Co., $500,000; Dean Witter & Co., $350,000 and Yarnall & Co., $150,000.

Proceeds—Proceeds from the sale, together with general funds of the company, are to be applied not later than June 1, 1943, to the redemption of the $16,390,000 face amount of outstanding first mortgage 20-year bonds, series A, 4% due July 15, 1955, at 104% plus accrued interest, and to the redemption of $4,165,000 face amount of outstanding convertible 3¾% debentures, due April 1, 1947, at 102% plus interest. Of the debentures $907,350 now are on deposit in the sinking fund.

Registration Statement No. 2-5115. Form S-1 (3-27-43).

Offered April 8 by Smith, Barney & Co. and Associates, at par and interest.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, APRIL 10

INVESTORS SYNDICATE OF AMERICA, INC.

Investors Syndicate of America, Inc., has filed a registration statement for Series One, Investment Certificate, in the face amount of $120,000,000.

Address — 200 Roanoke Building, Minneapolis, Minn.

Business—Registrant is engaged in the business of issuing its own face amount certificates and is classified as a "face amount certificate company" as such term is defined in Section 4 of the Investment Company Act of 1940. Investment Certificate, Series One, is designed as a medium of accumulation by means of regular, definite and systematic methods of accumulation.

Offering—As soon as possible after registration statement becomes effective.

Underwriter — Investors Syndicate, 200 Roanoke Building, Minneapolis.

Proceeds—For investment.

Registration Statement No. 2-5109. Form A-1. (3-22-43).

SUNDAY, APRIL 11

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 425,000 shares of full certificates of participation in Keystone Custodian Fund, Series "B-4".

Address—50 Congress St., Boston, Mass.

Business—Investment trust.

Underwriting—Keystone Custodian Funds, Inc., is sponsor.

Offering—Within two weeks after effective date of registration statement.

Proceeds—For investment.

Registration Statement No. 2-5110. Form C-1 (3-23-43).

MONDAY, APRIL 12

CELOTEX CORPORATION

Celotex Corp. has filed a registration statement for 75,000 shares of common stock, no par value.

Address—120 South La Salle Street, Chicago, Ill.

Business—Company is engaged in the building material business.

Underwriting—There are no underwriters.

Offering—The 75,000 shares of common will be offered by the company at $10.50 per share only to a selected group consisting of employees of the company, including officers and directors and those serving in a professional or advisory capacity and a limited group of persons having long standing business relations with the company to be selected by the board of directors. Statement says that recently, while the company was carrying on negotiations to augment its working capital by the issuance and sale of common stock, a substantial group of key employees of the company including certain officers and directors, joined in the formation of a syndicate with a view to the purchase of a large block of outstanding common stock from a single source which had indicated a willingness to sell. When reasons arose whereby the proposed purchase could not be carried out, the group acting through the syndicate requested the company to afford the syndicate members, as well as other employees, the opportunity to purchase the stock of the company then proposed to issue, at a price to net the company the same amount as though such stock were marketed through then available investment banking channels. The board determined that the stock to be sold should be offered to the selected group at a price of $10.50 per share. The syndicate has formed a voting trust for the common stock of the company.

Proceeds—Entire proceeds from the sale will be received by the company and used for additional working capital and for other corporate purposes.

Registration Statement No. 2-5112. Form A-2 (3-24-43).

CELOTEX CORPORATION

Bror Dahlberg, O. S. Mansell and Andrew J. Dallstream, voting trustees, have filed a registration statement for voting trust certificates for 150,000 shares of common stock of Celotex Corp. common stock, no par value.

Offering—(See Celotex statement No. 2-5112.) The syndicate has formed the voting trust for the common stock of the company, and an opportunity will be afforded to the members of the syndicate (mentioned in statement No. 2-5112) and to all others who purchase such stock, to deposit their shares of common stock thereunder and receive voting trust certificates. Additional shares of common may be deposited upon application of the holder and with the consent of the voting trustees, but voting trust certificates are not to exceed 150,000 shares of common stock.

Purpose—To form voting trust.

Registration Statement No. 2-5113. Form F-1 (3-24-43).

WEDNESDAY, APRIL 14

AMERICAN CASUALTY CO. OF READING, PA.

American Casualty Co. of Reading, Pa., has filed a registration statement for 50,000 shares of capital stock, par value $5 per share.

Address—607 Washington St., Reading, Pennsylvania.

Business—Conducts general casualty insurance business.

Offering—The shares of common stock are being offered at $10 per share by the company to its stockholders of record April 15, 1943, in the ratio of one new share for each three shares held on record date. The right to subscribe on the part of the stockholders will expire May 15, 1943.

Underwriting—In the event that all of the stock is not subscribed for by stockholders, the company may endeavor to make an offering to the general public through underwriters.

Proceeds—Proceeds are to be used to increase the capital and surplus of the company to enable it to retain a larger portion of its standard limit business without resorting to reinsurance. Net proceeds will be used for the purchase of securities which are qualified as legal investment for insurance companies organized under the laws of the Commonwealth of Pennsylvania.

Registration Statement No. 2-5114. Form S-1 (3-26-43).

SATURDAY, APRIL 17

NATIONAL FUEL GAS CO.

National Fuel Gas Co. has filed a statement for 402,042 shares of capital stock without par value. The shares are already issued and outstanding.

Address—30 Rockefeller Plaza, New York City.

Business—Is a public utility holding company owning stock of a group of operating companies and is not itself an operating company. Subsidiaries are engaged principally in the production and purchase of natural gas, purchase of by-product coke oven gas and to a small extent the production of manufactured gas, and in the transmission, distribution and sale, largely at retail, of natural and mixed gas.

Underwriting—Dillon, Read & Co. heads the underwriting group. Others will be supplied by amendment.

Offering—Price to the public will be supplied by amendment. The shares registered are outstanding shares owned, and being sold to the underwriters, by The Rockefeller Foundation. The Foundation owns 793,060 shares of the company's capital stock and is selling the shares being offered in order to reduce its ownership of such stock to less than 10% of the total outstanding shares, in view of the provisions of the Public Utility Holding Company Act of 1935.

Proceeds—Proceeds from the sale will go to The Rockefeller Foundation as the selling stockholder.

Registration Statement No. 2-5116. Form S-1 (3-29-43).

SUNDAY, APRIL 18

YORK CORRUGATING CO.

York Corrugating Co. has filed a statement with the SEC for 50,000 shares of common stock, $1 par value. The stock is presently issued and outstanding and does not represent new financing.

Address—Adams Street and Western Maryland Railroad, York, Pa.

Business—Normal manufacturing facilities are primarily designed for pressed, drawn and stamped metal products. About 95% of the company's manufacturing facilities are now devoted to war production.

Underwriting—Floyd D. Cerf Co., Chicago, is named principal underwriter.

Offering—Offering price to the public is $6.50 per share. Selling stockholders are Western National Bank of York, Pa., as trustee under the Benjamin S. Taylor Trust 28,013 shares, and Dr. Charles P. Rice, York, Pa., 30,750 shares.

Proceeds—To selling stockholders.

Registration Statement No. 2-5118. Form S-2 (3-30-43).

MONDAY, APRIL 19

INCOME FOUNDATION FUND, INC.

Income Foundation Fund, Inc., has filed a registration statement with SEC for 500,000 shares of capital stock, par value 10 cents per share.

Address—718 Mercantile Trust Building, Baltimore.

Business—Investment trust.

Offering—Price to the public at market.

Proceeds—For investment.

Registration Statement No. 2-5119. Form S-5 (3-31-43)

WEDNESDAY, APRIL 21

MAIN-ELMWOOD BUILDING CORP.

Barnet L. Rosset, Charles J. Young and Louis J. Borinstein, as trustees, have filed a statement for voting trust certificates for 3,934 shares of common stock of Main-Elmwood Building Corp.

Address—Suite 315-11 South La Salle Street, Chicago.

Business—Apartment house.

Offering—On or about April 10, 1943. Certificates are already outstanding in the hands of registered holders and it is proposed to extend the voting trust for five years from July 31, 1943, with certain amendments in the agreement.

Purpose—To extend voting trust.

Registration Statement No. 2-5121. Form F-1 (4-2-43).

(This list is incomplete this week)

Treasury Plan For Stabilizing Currency Of United Nations Outlined By Morgenthau

(Continued from page 1300)

fund and the member country. The privilege of any country to acquire an amount of other currencies equal to or in excess of its quota shall be limited by the necessity of assuring an appropriate distribution among the various members of any currency the supply of which is being exhausted. The fund shall apportion its sales of such scarce currency. In such apportionment, it shall be guided by the principle of satisfying the most urgent needs from the point of view of the general international economic situation. It shall also consider the special needs and resources of the particular countries making the request for the scarce currency.

8. In order to promote the most effective use of the available and accumulating supply of foreign exchange resources of member countries, each member country agrees that it will offer to sell to the fund for its local currency or for foreign currencies which it needs all foreign exchange and gold it acquires in excess of the amount it possessed immediately after joining the fund. For the purpose of this provision, including computations, only free foreign exchange and gold are considered. The fund may accept or reject the offer. To help achieve this objective each member country agrees to discourage the unnecessary accumulation of foreign balances by its nationals. The fund shall inform any member country when, in its opinion, any further growth of privately held foreign balances appears unwarranted.

9. To buy from the governments of member countries abnormal war balances held in other countries, provided all the following conditions:

A. The abnormal war balances are in member countries and are reported as such (for the purpose of this provision) by the member government to date of its becoming a member.

B. The country selling the abnormal war balances to the fund agrees to transfer these balances to the fund and to repurchase from the fund 40% of them (at the same price) with gold or such free currencies as the fund may wish to accept, at the rate of 2% of the transferred balances each year for 20 years beginning not later than three years after the date of transfer.

C. The country in which the abnormal war balances are held agrees to the transfer to the fund of the balances described in (B) above, and to repurchase from the fund 40% of them (at the same price) with gold or such currencies as the fund may wish to accept, at the rate of 2% of the transferred balances each year for 20 years beginning not later than three years after the date of transfer.

D. A charge of 1%, payable in gold, shall be levied against the country selling its abnormal war balances and against the country in which the balances are held. In addition a charge of 1%, payable in gold, shall be levied annually against them on the amount of such balances remaining to be repurchased by each country.

E. If the country selling abnormal war balances to the fund asks for foreign exchange rather than local currency, the request will not be granted unless the country needs the foreign exchange for the purpose of meeting an adverse balance of payments not arising from the acquisition of gold, the accumulation of foreign balances, or other capital transactions.

F. Either country may, at its option, increase the amount it repurchases annually. But, in the case of the country selling abnormal war balances to the fund, not more than 2% per annum of the original sum taken over by the fund shall become free, and only after three years shall have elapsed since the sale of the balances to the fund.

G. The fund has the privilege of disposing of any of its holdings of abnormal war balances as free funds after the 23-year period is passed, or sooner under the following conditions:

1. Its holdings of the free funds of the country in which the balances are held fall below 15% of its quota; or

2. The approval is obtained of the country in which the balances are held.

H. The country in which the abnormal war balances are held agrees not to impose any restrictions on the use of the installments of the 40% portion gradually repurchased by the country which sold the balances to the fund.

I. The fund agrees not to sell the abnormal war balances acquired under the above authority, except with the permission or at the request of the country in which the balances are being held. The fund may invest these balances in ordinary or special government securities of that country. The fund shall be free to sell such securities in any country provided that the approval of the issuing government is first obtained.

J. The fund shall determine from time to time what shall be the maximum proportion of the abnormal war balances it will purchase under this provision. Abnormal war balances acquired under this provision shall not be included in computing the amount of foreign exchange available to member countries under their quotas.

10. To buy and sell currencies of non-member countries, but shall not be authorized to hold such currencies beyond sixty days after date of purchase, except with the approval of four-fifths of the member votes.

11. To borrow the currency of any member country, provided four-fifths of the member votes approve the terms of such borrowing.

12. To sell member-country obligations owned by the fund provided that the board representative of the country in which the securities are to be sold approves. To use its holdings to obtain rediscounts or advances from the central bank of any country whose currency the fund requires.

13. To invest any of its currency holdings in government securities and prime commercial paper of the country of that currency provided four-fifths of the member votes approve, and provided further that the board representative of the country in which the investment is to be made approves.

14. To lend to any member country its local currency from the fund for one year or less up to 75% of the currency of that country held by the fund, provided such loan is approved by four-fifths of the member votes.

15. To levy upon member countries a pro rata share of the expenses of operating the fund, payable in local currency, not to exceed one-tenth of 1% per annum of the quota of each country. The levy may be made only to the extent that the earnings of the fund are inadequate to meet its current expenses, and only with the approval of four-fifths of the member votes. The fund shall make a service charge of one-quarter of 1% or more on all exchange and gold transactions.

16. The fund shall deal only with or through

A. The treasuries, stabilization funds, or fiscal agents of member governments;

B. The central banks, only with the consent of the member of the board representing the country in question; and

C. Any international banks owned predominantly by member governments.

The fund may, nevertheless, with the approval of the member of the board representing the government of the country concerned, sell its own securities, or securities it holds, directly to the public or to institutions of member countries.

IV. Monetary Unit of the Fund

1. The monetary unit of the fund shall be the Unitas, consisting of 137 1/7 grains of fine gold "equivalent to $10 U. S." The accounts of the fund shall be kept and published in terms of Unitas.

2. The value of the currency of each member country shall be fixed by the fund in terms of gold or Unitas and may not be altered by any member country without the approval of four-fifths of the member votes.

3. Deposits in terms of Unitas may be accepted by the fund from member countries upon the delivery of gold to the fund and shall be transferable and redeemable in gold or in the currency of any member country at the rate established by the fund. The fund shall maintain a 100% reserve in gold against all Unitas deposits.

4. No change in the value of the currencies of member countries shall be permitted to alter the value in gold or Unitas of the assets of the fund. Thus if the fund approves a reduction in the value of the currency of a member country (in terms of gold or Unitas) or if, in the opinion of the board, the currency of a member country has depreciated to a significant extent, that country must deliver to the fund when requested an amount of its local currency equal to the decreased value of that currency held by the fund. Likewise, if the currency of a particular country should appreciate, the fund must return to that country an amount (in the currency of that country) equal to the resulting increase in the gold or Unitas value of the fund's holdings. The same provisions shall also apply to the government securities of member countries held by the fund. However, this provision shall not apply to currencies acquired under III—9 (abnormal war balances).

V. Management

1. The administration of the fund shall be vested in a board of directors. Each government shall appoint a director and an alternate, in a manner determined by it, who shall serve for a period of three years subject to the pleasure of their government. Directors and alternates may be reappointed. In all voting by the board, the director or alternate of each member country shall be entitled to cast an agreed upon number of votes. The distribution of voting power shall be closely related to the quotas of member countries, although not in precise proportion to the quotas. An appropriate distribution of voting power would seem to be the following: Each country shall have 100 votes plus one vote for the equivalent of each 100,000 Unitas ($1,000,000) of its quota. Notwithstanding the approved formula for distributed voting power, no country shall be entitled to cast more than one-fourth of the aggregate votes regardless of its quota. All decisions, except where specifically provided otherwise, shall be made by a majority of the member votes.

2. The board of directors shall select a managing director of the fund and one or more assistants. The managing director shall become an ex officio member of the board and shall be chief of the operating staff of the fund. The managing director and the assistants shall hold office for two years, shall be eligible for reelection, and may be removed for cause at any time by the board.

The managing director of the fund shall select the operating staff in accordance with regulations established by the board of directors. Members of the staff may be made available, upon request of member countries, for consultation in connection with international economic problems and policies.

3. The board of directors shall appoint from among its members an executive committee to consist of not less than 11 members. The Chairman of the Board shall be Chairman of the Executive Committee, and the managing director of the fund shall be an ex officio member of the Executive Committee. The Executive Committee shall be continuously available at the head office of the fund and shall exercise the authority delegated to it by the board. In the absence of any member of the Executive Committee, his alternate shall act in his place. Members of the Executive Committee shall receive appropriatae remuneration.

4. The board of directors may appoint such other committees as it finds necessary for the work of the fund. It may also appoint advisory committees chosen wholly or partially from persons not employed by the fund.

5. The board of directors may at any meeting by a four-fifths vote authorize any officers or committees of the fund to exercise any specified powers of the board. The board may not delegate, except to the Executive Committee, an authority which can be exercised only by a four-fifths vote. Delegated powers shall be exercised only until the next meeting of the board and in a manner consistent with the general policies and practices of the board.

6. The board of directors may establish procedural regulations governing the operations of the fund. The officers and committees of the fund shall be bound by such regulations.

7. The board of directors shall hold an annual meeting and such other meetings as it may be desirable to convene. On request of member countries casting one-fourth of the votes the Chairman shall call a meeting of the board for the purpose of considering any matters placed before it.

8. A country failing to meet its obligations to the fund may be suspended provided a majority of the member votes so decides. While under suspension the country shall be denied the privileges of membership but shall be subject to the same obligations as any other member of the fund. At the end of two years the country shall be automatically dropped from membership unless it has been restored to good standing by a majority of the member votes.

Any country may withdraw from the fund by giving notice, and its withdrawal will take effect two years from the date of such notice. During the interval between notice of withdrawal and the taking effect of the notice, such country shall be subject to the same obligations as any other member of the fund. A country which is dropped or which withdraws from membership shall have returned to it an amount in its own currency equal to its contributed quota, plus other obligations of the fund to the country, and minus any sum owed by that country to the fund. Any losses of the fund may be deducted pro rata from the contributed quota to be returned to the country that has been dropped or has withdrawn from membership. The fund shall have five years in which to liquidate its obligation to such a country. When any country is dropped or withdraws from the fund, the rights of the fund shall be fully safeguarded.

9. Net profits earned by the fund shall be distributed in the following manner:

(a) Fifty percent to reserves until the reserves are equal to 10% of the aggregate quotas of the fund.

(b) Fifty percent to be divided each year among the members in proportion to their quotas. Dividends distributed to each country shall be paid in its own currency or in unitas at the discretion of the fund.

VI. Policies of Member Countries

Each member country of the fund undertakes the following:

1. To maintain by appropriate action exchange rates established by the fund on the currencies of other countries, and not to alter exchange rates except with the consent of the fund and only to the extent and in the direction approved by the fund. Exchange rates of member countries may be permitted to fluctuate within a specified range fixed by the fund.

2. To abandon, as soon as the member country decides that conditions permit, all restrictions and controls over foreign exchange transactions (other than those involving capital transfers) with other member countries, and not to impose any additional restrictions without the approval of the fund.

The fund may make representations to member countries that conditions are favorable for the abandonment of restrictions and controls over foreign exchange transactions, and each member country shall give consideration to such representations.

3. To cooperate effectively with other member countries when such countries, with the approval of the fund, adopt or continue controls for the purpose of regulating international movements of capital. Cooperation shall include, upon recommendation by the fund, measures that can appropriately be taken:

A. Not to accept or permit acquisition of deposits, securities, or investments by nationals of any member country imposing restrictions on the export of capital except with the permission of the government of that country and the fund;

B. To make available to the fund or to the government of any member country full information on all property in the form of deposits, securities and investments of the nationals of that member country; and

C. Such other measures as the fund shall recommend.

4. Not to enter upon any new bilateral foreign exchange clearing arrangements, nor engage in multiple currency practices, except with the approval of the fund.

5. To give consideration to the views of the fund on any existing or proposed monetary or economic policy, the effect of which would be to bring about sooner or later a serious disequilibrium in the balance of payments of other countries.

6. To furnish the fund with all information it needs for its operations and to furnish such reports as it may require in the form and at the times requested by the fund.

7. To adopt appropriate legislation or decrees to carry out its undertakings to the fund, and to facilitate the activities of the fund.

Interesting Possibilities In Delaware & Hudson

The First and Refunding mortgage 4s of The Delaware and Hudson Company, under the proposed plan of debt adjustment, with their high yield and unusual profit possibilities, warrant acceptance of the "business man's risk" at current prices, according to a circular just issued by Hardy & Company, 30 Broad Street, New York City, members of the New York Stock Exchange. Copies of this circular, discussing the situation in detail, may be had from Hardy & Co. upon request.

Our Reporter On "Governments"

By S. F. PORTER

For the second consecutive week, the story in the Government market is the movement of tax-exempts, particularly the longest-terms. . . . The strength in these is outstanding, based on logic which is clear and unassailable. . . . Nearly all dealers in the financial district of New York are playing the bonds, suggesting to their best clients that investment in long-terms in the tax-exempt class is smart operation. . . : A check around the bond crowd reveals a rare unanimity of opinion on the major uptrend of these. . . . Again, this writer feels justified in saying, "Don't ignore this trend. It may mean considerable profit to you over the long run." . . .

The reasons for the sudden pick-up in buying and prices of the tax-exempts were outlined in detail here last week. . . . Banks and other large non-banking investors have been buying the bonds on an increasing scale recently. . . . The sources of supply of these are drying up. . . . The professionals are optimistic. . . . More and more banks are finding they need tax-exempts and a wiser tax policy generally. . . . The outstanding total of exempts is decreasing steadily. . . . The present make-up of Congress militates against any action to remove the privilege. . . . These are the factors in the background and the effect of them you may see in the steady advance in prices of long-term exempts in the last ten days. . . .

From a technical point of view, the best bonds in the exempt classification appear to be:

(1) The 2⅞s of 1960/55, selling at 109.17, to yield 1.97 to call date, 2.19% to maturity. . . .

(2) The 2¾s of 1959/56, selling at 108.22, to yield 2.00% to call, 2.12 to maturity. . . .

(3) The 2¾s of 1963/58, selling at 108.21, to yield 2.07 to call date, 2.21% to maturity. . . .

(4) The 2¾s of 1965/60, selling at 109.2, to yield 2.13% to call, 2.24% to maturity. . . .

Preference for longest-terms is based on these points:

(1) The bonds are selling closest to par in the exempt classification and, therefore, the risk of buying them is comparatively restricted. . . . In comparison, consider the 4¼s of 1952/47, selling at 113.9—and these run the risk of call in four years, indicating a terrific amortization burden. . . .

(2) The bonds are going to be out the longest and since tax protection is the purpose, the longer the bonds have to run the better the position. . . . In this situation, the rules are reversed and the longest-terms have the best outlook. . . .

(3) Trading in these is widest because the bonds aren't as closely held as the shorts and intermediates and because there are large blocks of the issues outstanding. . . . For instance, the total of 2⅞s is $2,611,000,000 while the total of the 2¾s of 1965/60 is $1,485,000,000. . . . In contrast, there are only $759,000,000 of the 4¼s out. . . .

(4) The best speculative interest is concentrated in these four issues, meaning that the buyer stands the best chance of getting a run for his money. . . .

BANKS FINDING OUT

For the first time in years, the banks are in the peculiarly favorable position of having mighty small write-offs against taxes. . . . And chances are as the months roll by, this situation will be intensified rather than relieved. . . . It's an odd way to look at it—to be disturbed over the lack of losses! . . . But the fact is when you're talking about taxes, losses have an entirely different meaning than at any other time. . . .

As the banks discover they're moving right into the excess profits tax bracket and moving higher and higher in that bracket, they'll rediscover the value of tax-exempt securities, experts believe. . . . And they'll start looking for bonds carrying partial exemption. . . .

In addition, they'll discover the 2s and certificates and shorts they can buy return small interest in comparison with the 2½s the non-banking investors are able to pick up. . . .

What then? . . . Well, according to informed sources, the real demand for the longer-term exempts will show up at that time. . . . Simultaneously, the supply will dwindle further, for the few major holders of exempts who still have bonds to sell will hold off, anticipating greater profits. . . . And that is when the embryonic advance reported in this column in the last few weeks will flourish. . . .

It's all forecast and guess-work, admittedly. . . . And there's many a slip between the forecast and the realization. . . . But just to give you an idea of how the dealers are thinking, one expert remarked that he anticipates a one-point advance in the longer-term exempts over the coming weeks. . . .

THE NEW ISSUE

We're right up against the new issue now. . . . The basket is set, the selling organization is ready, the entire financial community is geared to put this one over. . . . During the period of the new financing, it may be that exempts will be relatively inactive although there's no general feeling on this. . . . Another trader, for instance, commented that "while the new bonds may rise to a ⅜ or ½ point premium, the exempts may get up a full point and you can draw your own conclusions from that." . . .

But whether the big play in exempts will come this month or in May is not of first importance. . . . What is significant is (1) the trend and (2) the logic behind it. . . .

As for the financing, there seems little doubt of a record surpassing the "official goal" of $13,000,000,000. . . . One of the prime reasons for setting the goal at that level was to make certain that it would be surpassed by $2,000,000,000 to $3,000,000,000. . . .

One disturbing factor in the setup, to this writer, is the fact that so many experts anticipate ¾ to ½ point premiums on the 2½s and 2s. . . . So many times, when everyone expects something like this, it fails to happen, for too many people are getting ready to sell and take their profit on the achievement. . . .

New York City's sale of $10,660,000 of its bonds held in various city sinking funds last week was for the purpose of giving the city extra cash to put into the new bonds. . . . In December, the city subscribed to $10,000,000 of the basket. . . .

Insurance company sales of high-grade, exempt municipals have been on a large scale recently, also for the purpose of providing extra cash for placement in new bonds. . . . No more sales of municipals expected in the remaining days before the flotation because the municipal market is well supplied now and can't take more at this level. . . .

INSIDE THE MARKET

No talk at all around the Street these days about changes in interest rates. . . . General feeling is rates have been stabilized at present low levels and will remain where they are—with the most minor of readjustments now and then—for the duration of the war and as long thereafter as necessary for Treasury financing needs. . . . In the words of J. H. Riddle, economic advisor to the Bankers Trust Company, "The Treasury cannot very well finance a war of this magnitude in a period of rising interest rates and declining bond prices." . . . That point is so obvious that it no longer is even being discussed among financiers. . . .

Major trading in market now involves realignment of portfolios, preparatory to new financing. . . . Virtually no new investments of size going on, outside of exempt lists. . . . "Tap" and "on sale" 2½s now down to 100.9 and 100.5, respectively, indicating the fairly sizeable trading profits which can be made on playing these during and after financing deals. . . .

Some talk around that 1965/60 exempts are cheap in relation to 2⅞s of 1960/55, although price differential obviously is due to shorter maturity of 2⅞s. . . . In this peculiarly upside-down section of the market, though, longest-terms eventually may sell even with shorter issues because of favored position of the longs. . . .

Raymond A. Roberts Is Now With A. M. Kidder

(Special to The Financial Chronicle)

DETROIT, MICH.—Raymond A. Roberts has become associated with A. M. Kidder & Co., Penobscot Building. Mr. Roberts was formerly Assistant Manager of the Detroit office of J. S. Bache & Co.

Arthur Jansen To Be W. E. Burnet Co. Partner

Arthur Jansen will be admitted to partnership in W. E. Burnet & Co., 11 Wall Street, New York City, members of the New York Stock Exchange, as of today. Mr. Jansen has been associated with the firm for some time as manager of the statistical department.

The Business Man's Bookshelf

Shipbuilding Industry, The, and Logistics of Amphibious Warfare (Volume V of "An Engineering Interpretation of the Economic and Financial Aspects of American Industry")—George S. Armstrong & Co., Inc., 52 Wall Street, New York—paper—no charge.

Functions of the Commercial Banking System, The—J. Brooke Willis—King's Crown Press, 1145 Amsterdam Avenue, New York City—paper—$3.

How Did We Get This Way?—H. B. Loomis and John B. Knox—Reprinted from the "Commercial and Financial Chronicle"—William B. Dana Company, 25 Spruce Street, New York City—paper—35 cents a copy—Reduction for quantity orders.

K. C. Public Service Situation Interesting

Kansas City Public Service Company offers interesting possibilities according to a circular discussing the favorable factors affecting this carrier which has just been issued by Scherck, Richter Company, Landreth Building, St. Louis, Mo. Copies of this circular may be had from Scherck, Richter Company upon request.

Heyden Chemical Sells Preferred

An underwriting group headed by A. G. Becker & Co., Inc., on April 5 offered 40,000 shares of Heyden Chemical Corp. 4% cumulative preferred stock, series A, $100 par value, at $100 per share.

Common stockholders of record on April 2, 1943, have, until 3 p. m. April 8, the right to subscribe for 20,977 shares of common stock at $20 per share, in the ratio of one share for each 20 shares held. Upon expiration of the subscription offer, the underwriters will purchase any of the shares not taken by present stockholders.

Other members of the banking group are: Lehman Brothers; Merrill Lynch, Pierce, Fenner & Beane; Hornblower & Weeks, and Ladenburg, Thalmann & Co.

Aggregate net proceeds to be received by Heyden Chemical Corp. from the sale of both issues will be a maximum of $4,237,362 and a minimum of $4,216,365, depending upon the number of common shares not taken by stockholders and purchased by the underwriters.

Of the net proceeds, $2,037,000 will be applied toward the redemption at $105 per share, plus accrued dividends, of all the outstanding 19,400 shares of 4¼% cumulative preference stock. Accrued dividends from March 1, 1943, until the redemption date will be supplied from the company's current funds. The balance of the net proceeds will be added to working capital, in order to finance the increased inventories and accounts receivable resulting from the company's increased business and expanded operations.

For 1942 Heyden Chemical Corp. reports sales of $11,156,718; income before taxes, $2,519,544, and net profits, $709,512, equal, after dividends, to $5.96 per share of common outstanding in the hands of the public. This compares with 1941 sales of $9,548,606, income before taxes of $2,333,643, and net profits of $1,003,647, or $9.04 per share of common outstanding in the hands of the public.

Nekoosa Paper Interesting

Common stock of the Nekoosa Edwards Paper company offers attractive possibilities, according to an analysis being distributed by Ryan-Nichols & Co., 105 South La Salle Street, Chicago. Copies may be had from Ryan-Nichols & Co. upon request.

d'Avigdor Co. Formed

Formation is announced of d'Avigdor Co., successors to Leslie B. d'Avigdor Co., 63 Wall Street, New York City.

Final Edition | ESTABLISHED OVER 100 YEARS | In 2 Sections—Section 2

The Commercial and FINANCIAL CHRONICLE

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THE FINANCIAL SITUATION

In ordinary circumstances it would be difficult to regard the international exchange schemes now on foot both in this country and in London as likely to attract important support anywhere, so utterly revolutionary is their general tenor. As matters actually stand, however, they must not be dismissed merely because they are bizarre, so much of a piece are the schemes described with a multitude of other post-war proposals sponsored by governments and individuals of influence.

Lord Keynes, apparently, would create some sort of super financial body, governmentally appointed, into whose hands he would place the financial destinies of the nations of the world, while our own Treasury has a scheme of its own designed for purposes not very dissimilar. The authors of both appear naively to believe that the evils of ultranationalism, so often the plague of the years intervening between the two world wars, can be eliminated or prevented in the post-war years by so simple a device as a mechanism operated jointly by these heretofore competing and scheming nations. They appear to believe, also, that government is possessed of wisdom not given to ordinary citizens.

Our Money and Our Wealth

Keynes, fantastic though his ideas often are, is a student of economics and finance. He well knows, of course, that no scheme of international currency such as he proposes could possibly survive without control of many things other than currency, and he quite calmly incorporates into his suggestion (according to current descriptions) proposals for placing broad interests of individual nations and their nationals in the hands of his super-bank, if such it may be termed. Precisely how far our own Treasury would go in this direction is not entirely clear, but it would obviously go far enough either directly or indirectly.

Does either Keynes or Mr. Morgenthau for a moment suppose that the individual members of the governing body selected to administer their schemes would, once they have taken their seats, forget the land of their birth and the interests they left behind them, and henceforth become each a "man without a country"? The history of the League of Nations should make impossible any such belief on their part, if experience of this sort were necessary. But for a

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What Cooperation?

"I am revealing no state secret when I say to you that one of the gravest doubts which exists in the minds of our partners of the United Nations today is the doubt as to what the policy of the United States will be when the victory is won. They remember that when the victory of 1918 had been achieved, this great country of ours withdrew from almost every form of practical cooperation with its former Allies in the great task of constructing that kind of world in which we and all other peace-loving and liberty-loving peoples could securely and profitably live. In very truth, we won the war, and made no effort to win the peace.

"Our Allies are asking themselves now whether we will again follow that same course."—Sumner Welles.

It would be a relief if the Administration—and some others—were to drop this dust-cloth-and-ashes attitude about our course following the last war. It would be much safer, too.

We "withdrew from almost every form of practical cooperation"? What cooperation? Have we forgotten the secret treaties and the mandates?

It would probably be nearer the truth to say that we withdrew because there was no cooperation.

Let us hope that those who worry about our cooperation next time will not forget, as many of us appear to have done, why we acted as we did last time.

Let US not forget even if our leaders appear to have done so!

Morgenthau Outlines Proposed Post-War International Currency Stabilization Plan

A tentative proposal "to establish an international stabilization fund in which all the United Nations and those Nations which are associated with them in this war would participate" were outlined by Secretary of the Treasury Morgenthau on April 5 at an extraordinary closed session of members of the Senate Committees on Foreign Relations, Banking and Currency and Post-War Economy and Planning. Mr. Morgenthau indicated on April 6 that the outline of the proposal had been made known to 37 nations, representatives of which have been invited to participate in a conference for the further consideration of the subject. In these columns a week ago, April 1, page 1211, reference was made to forthcoming plans for post-war international trade and the likelihood of an international conference on monetary stabilization. Both the plans of John Maynard Keynes and those attributed to Harry D. White, an Assistant to Secretary Morgenthau, were mentioned in the item in which it was intimated that the proposed conference would seek to compose differences between the two proposals.

Following his presentments to the Senate group on April 5, Mr. Morgenthau made public details of the plan in "the preliminary draft outline of proposal for a United and Associated Nations Stabilization Fund." This we are giving in full in another item in this issue.

Among other things the plan provides that the monetary unit of the fund shall be Unitas, consisting of 137 1/7 grains of fine gold "equivalent to $10 U. S." It is stipulated that "no change in the value of the currencies of member countries shall be permitted to alter the value in gold or Unitas of the assets of the fund.

The Administration's tentative program, as presented to the Senate committees on April 5, involved the following major points, it was stated in Associated Press advices from Washington April 5:

"1. Creation of an international stabilization fund by the United Nations and their associates (a Senator who heard Morgenthau said he understood the fund would have a capital of $5,000,000,000.)

"2. Fixing the value of currencies in terms of gold.

"3. An agreement among participating nations not to devalue their currencies without consulting other members of the stabilization funds. This would be similar to the tripartite agreement signed by Great Britain, France and the United States in 1936."

In his outline April 5 of the tentative proposal, Secretary Morgenthau said that "the resources of the fund that we have in mind would be provided by the participating governments in an amount and form suited to each nation." He added that "participation would be in the form of gold and local currency and public obligations of the member countries. The operations of the fund would include buying and selling of foreign exchange under adequate safeguards."

Mr. Morgenthau also stated that "the fund would deal only with treasuries and central banks," and "would not compete with private banks or existing agencies."

In advices from its Washington correspondent, Nicholas P. Gregory, April 6, the New York "Herald Tribune" said:

"Harry White, Treasury monetary expert, estimated that the American subscription would be about $2,000,000,000. Each country's subscription would be based on a combination of such factors as its holdings of gold and foreign exchange, its national income, and changes in its balance of payments.

"Each nation's initial payment, which would be 50% of the quota set by the finance ministers of the 37 nations, would be 12.5% of its quota in gold, 12.5% in local currency, and 125% in its own securities. These percentage figures, however, would be flexible so that the smaller nations could vary their gold deposits.

"Against these deposits, the fund would issue $10 gold 'unitas,' to be negotiable only in settling trade balances between governments and not for general circulation. Mr. Morgenthau revealed that the suggested term 'unitas' represents a contraction of the two words 'United Nations.'

"Control of the fund would be vested in an international board appointed by member governments. Voting strength of nations would be fixed by amounts contributed to the fund, but no Government could command more than 25% of the total. Mr. White conceded, however, that the United States thus would exercise a veto power in management.

"Net profits earned by the fund in foreign exchange transactions, gold movements, etc., would be paid out in dividends.

"There would be important restrictions in exchange dealings between countries, designed to eliminate secret agreements that might endanger currency equilibrium."

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From Washington Ahead Of The News

By CARLISLE BARGERON

There is a movement taking place on the home front which may rise to tremendous significance. It is a movement on the part of some of the leading newspapers to deemphasize the daily flow of hokum and bunk in Washington and give increasing importance to out-in-the-country headlines. Coupled with this is the movement on the part of these same papers to have their Washington staffs pass up the daily grist of handouts and spend their time on reporting in a more leisurely and analytical way what is really going on. Both movements, if they spread, will have a tendency to kill off the daily headline seeking which is about to run the country nuts.

Briefly put, the country for the past 12 years has been treated daily to the mass output of Washingtonitis. It was Washington this, Washington that. All roads, for those seeking fame, led to Washington. Our whole journalistic set-up has been stacked pretty much against anybody accomplishing anything out in the rest of the country. There are only a few of our State governors of whom we ever hear. The thinking of the country, the activities of the country, have been pretty much subordinated to the bureaucratic bleatings.

Mr. Roosevelt has long bragged that the country's press had lost its influence. He surely didn't mean that the printed word had lost its influence. What he did mean, or should have meant, was

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THE FINANCIAL SITUATION

(Continued from first page)

moment let us suppose that they were able so to divorce themselves from their own interests and those of their countrymen, and by some miracle develop quickly into a body whose sole aim is the "good of all nations." How would they then proceed? What rules would guide them in reaching decisions vitally affecting business everywhere? Is the "good of all" synonymous with the socialistic principle: to each according to his needs; from each according to his ability?

"Haves" vs. "Have-Nots"

To some observers such a question may appear out of place. But is it? Intelligent students of Vice-President Wallace, Milo Perkins, and a host of other post-war planners in Washington will not find it strange or out of order. Precisely such a doctrine is expressed or implied in much of what they have been saying about post-war plans for two years past. Let it be plainly stated that operations upon such a basis would be (for a time at least) perfect for those Hitler is fond of calling the "have-not" nations and peoples, but what of the "haves," of which, relatively speaking, we are the chief representative? How long should we stay in such a category? But whether any such doctrine is consciously adopted or not, the fact is that the Keynes idea at least appears, from cabled accounts of it, to be most suitable for giving it effect directly or indirectly.

It is probably not widely known in this country, but is a fact nonetheless, that shrewd minds in Britain have been at work for a good while on post-war plans. Oh, yes, the British have their counterparts of our day-dreamers and professional reformers in Washington. Some of theirs—and some of them not without influence, too—have gone even further than have ours. No one in Russia has gone much further in demanding a vigorous program of outright socialism at home and an active campaign to promote it in all countries than the Labour Party in Great Britain, and that group has made this demand one of their post-war tenets. Many other grandiose platitudes have likewise come forth and obtained a following. Yes, all this is going on in Great Britain. But the British have other kinds of planners, too, and some of them have quite candidly asserted that for the British much depends upon the willingness of this country to "give" after the war is over.

Looking Out For Themselves

These groups have been sedulously arranging pro forma balance sheets of their nation, and contriving various plans for re-establishing themselves in the post-war world. They are looking upon that era with cold, realistic and seeing eyes. They should. We have no complaint whatever to make of them. If they do not look after their own interests no one else will. We mention it at this point merely to suggest that the Britishers sitting on any international board instigated by Keynes or Mr. Morgenthau are rather likely to be thinking of British interests, first, last and always. Our representatives, if they are not to be a sort of financial godfather to the rest of the world, will have to do likewise. So will the representatives of other nations. The danger to us, or the most serious danger, will be precisely that which is threatening us at home—that the "have-nots" will be in an overwhelming majority.

We in this country have got altogether too much in the habit of thinking of our resources, our wealth, our productivity as being utterly inexhaustible. It is not inexhaustible, and by the end of this war if it continues very much longer we may awake to a rude shock. There are still large funds in this country belonging to peoples who have not been engaged in fighting the Axis, and who may not have an opportunity to use much of them for that purpose. They will otherwise be penniless when the war is over. They may well call on us for huge sums of their own money immediately hostilities cease. Precisely where the British themselves stand in this respect there is no way for the public to know. They are reported to have largely exhausted their resources here and elsewhere abroad before we entered the war, but in what degree Lend-Lease operations have altered this situation no one outside of high Government circles can possibly know.

Not Inexhaustible

We shall have, of course, almost incredibly large productive power at the close of hostilities, as the New Dealers are so fond of reminding us, but we must not forget for a moment that a very large part of this equipment will not be suitable for peace purposes. So far as the production of peacetime goods is concerned, we may well be rather hard put to it for a time after the war for manufacturing facilities. We have squandered untold millions, not to say billions, in South America and elsewhere in the name of economic warfare. We shall doubtless squander many other hundreds of millions more before the war is at an end. As a nation we shall be more heavily in debt than we had thought we should ever be in any circumstances. We shall have many hangers-on with vested interest in largesse. Our banking system will be unspeakably overloaded with Treasury deficits.

If we must begin now to consider post-war financial arrangements, we should be wise to place our own interests at the top of the agenda.

Mr. Wallace's Revolution; Social Security The American Way; Certain Peoples Instinctively Slaves

Here are the pithy comments made by Benjamin De Casseres in his April 1st column in the New York Journal American on the above subjects:

On two different occasions Vice-President Wallace has said "this is the people's revolution." **What revolution?** The only "revolution" that I've heard about recently in the U. S. A. was the one that took place last November, which was a people's revolt against the New Deal. "People's revolution" has no meaning in the U. S. A. It smacks of Socialism. It is of alien origin, like **volksgeist** and **herrenvolk.** "People's revolution" sounds Russian. It is a class-tainted phrase. Mr. Wallace and the other "Globalonists" should really begin to go native in their speech.

If we are to have "social insurance" on a large scale, let us do it in the **American way.** The American way is voluntary. Compulsory insurance, with raids on the weekly pay-check, is totalitarian in essence and technique. Let those who want health, old age and unemployment insurance go to a Government agency and get insured. Let no one be taxed for something he or she does not need or want.

There are certain people who are instinctively slaves. They have no sense of freedom. They do not want to be free because it involves certain individual responsibilities. They'd rather be parasites, goose-steppers and candidates for hand-outs. Among these peoples are the Germans, the Russians, all the Balkan staters, the Japanese, the Chinese and the Hindus. Remember, China and Russia do not fight for liberty but for national independence—an entirely different thing.

The liberty-loving peoples by instinct are Americans, Englishmen, Irish, Canadians, Australians, Frenchmen, the Scandinavians, the Dutch and the Swiss—and, sometimes, the Belgians and the Italians. I doubt whether that line-up will change in our lifetime.

The State Of Trade

Reports from most of the heavy industries continue to reflect the expanding war production. Electric power production continues substantially above last year's output, with the industry generating 3,928,170,000 kilowatt-hours for the week ended March 27, an increase of 17.4% over the like 1942 week's total of 3,345,502,000 according to the Edison Electric Institute.

The Pacific Coast area again showed the largest gain over 1942 with an increase of 26.3%. The Southern States section was next with 25.4%.

Consolidated Edison Co. of New York announces output of electricity for the week ended March 27 as 165,400,000 kwh., compared with 149,800,000 in the like 1942 week.

Loadings of revenue freight for the week ended March 27 totaled 787,360 cars, according to the Association of American Railroads. This was an increase of 19,226 cars above the preceding week this year, 20,926 cars fewer than the corresponding week in 1942, and 6,443 cars under the same period two years ago.

The total was 122.82% of average loadings for the corresponding week of the 10 preceding years.

Steel production is scheduled this week at 99.6% of capacity, indicating production of 1,724,800 net tons of ingots and castings, compared with last week's rate of 99.5%, an output of 1,723,000 tons, according to the American Iron & Steel Institute.

For the like 1942 week, production totaled 1,674,800 tons and operations were at 98.6% of the then smaller capacity.

The Department of Commerce estimated first quarter domestic steel production at 21,900,000 net tons and predicted that production for 1943 will reach a record total of 92,000,000 tons, a 7% rise over 1942.

First quarter output was at an annual rate of 88,000,000 net tons and to achieve the department's expected peak, production for the final nine months this year will have to be at a rate of 93,100,000 tons a year.

Department-store sales on a country-wide basis were down 3% for the week ended March 27, compared with the same week a year ago, according to the figures of the Federal Reserve Board.

Store sales were up 3% for the four weeks ended March 27, compared with the same period a year ago.

Department-store sales in New York City in the week ended March 27 were 9% smaller than in the comparative week last year, and in the four weeks ended March 27 were 1% better than in the corresponding 1942 period, according ot the New York Federal Reserve Bank.

Retailers reported a firm consumer demand this week, attributing a decline in comparison with last year to the fact that the climax of Easter buying was reached at this time in 1942, according to Dun & Bradstreet, Inc. Wholesale activity also was reported as holding steady, aided by advance buying for summer and fall.

Retailers indicated that a marked spring ascent is not yet under way. They laid the slowness of the rise to the latest Easter in more than 40 years and abnormal spring merchandise demand in February and early March, which, they said, borrowed business from current weeks.

Nevertheless, the largest consumer income in history maintained sales at an exceptionally high level and store traffic was heavy.

Jesse Jones, Secretary of Commerce, believes that national income payments to individuals will total close to $135,000,000,000 this year. This is almost double the amount of money which the people received in 1939, just four years ago. Should Mr. Jones be correct in his estimate it will mean that the public will have approximately $15,000,000,000 more this year than it had last year.

Although the average individual will have more money in his pocket this year, the amount of goods and services available are expected to decline to approximately $77,000,000,000, authorities assert. This will be about $5,000,000,000 under the 1942 total.

It is pointed out that between $14,000,000,000 and $15,000,000,000 in taxes will be paid out of individual incomes this year on the basis of present legislation. The Treasury believes, though, that another $16,000,000,000 should be siphoned out of circulation. Randolph Paul, the Treasury's general counsel, only the other day, said that the people are well able to pay this additional sum in new revenues. Higher taxes on 1943 incomes, therefore, appear inevitable.

Rapidly advancing consumer incomes and diminishing supplies of goods and services are having the result of limiting expenditures. Last year this factor was responsible for savings reaching the high level of $26,900,000,000. Department of Commerce predictions are that savings of individuals this year will soar to well above $40,000,000,000.

The amount of money in circulation is at an all-time high. At the close of February the total was $39,657,000,000, equivalent to $118.90 for each person in the country. This compares with $85.60 for each person at the end of February, 1942, and with $40.20 a person on March 31, 1917.

Daniels Named FDR Aide

President Roosevelt has appointed Jonathan Daniels of Raleigh, N. C., as one of his administrative assistants, the White House announced on March 29. Mr. Daniels, who is the son of Josephus Daniels, Secretary of the Navy in the Wilson administration and later Ambassador to Mexico, was recently Assistant Director of the Office of Civilian Defense, having resigned as editor of "The Raleigh News and Observer" in order to enter Government service. His appointment fills the last vacancy among the six administrative assistants who receive $10,000 a year each.

The President's recent appointment of former Representative James M. Barnes of Illinois as one of his aides was referred to in our issue of March 18, page 1020. The other administrative assistants are William H. McReynolds, Lauchen Currie, Lowell Mellett and David K. Niles.

Items About Banks, Trust Companies

The statement of the Chase National Bank of New York for March 31, 1943, shows deposits on that date of $4,203,291,000, compared with $4,291,467,000 on Dec. 31, 1942, and $3,628,257,000 on March 31, 1942. Total resources at the latest date amounted to $4,482,656,000, compared with $4,569,496,000 on December 31 and $3,899,439,000 a year ago; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, $1,025,488,000, compared with $1,132,553,000 and $1,254,614,000 on the respective dates; investments in United States Government securities, $2,403,236,000, contrasting with $2,327,748,000 and $1,417,883,000; loans and discounts, $727,477,000, compared with $786,057,000 and $830,806,000.

On March 31, 1943, the capital of the bank was $100,270,000 and the surplus $100,270,000, both amounts unchanged. The undivided profits on March 31 amounted to $49,353,000, compared with $45,049,000 on Dec. 31, 1942, and $43,043,000 on March 31, 1942. Earnings of the bank for the first quarter of 1943 amounted to 58 cents per share, compared with 36 cents a share in the first quarter of 1942.

Resources of the Guaranty Trust Company of New York have reached the highest point in the Company's history, according to the bank's statement of condition as of March 31. Total resources of $3,015,473,615 compare with $2,995,498,622 at the time of the last published statement, Dec. 31, 1942, and with $2,555,077,767 at the corresponding quarter a year ago, March 31, 1942. The Company's deposits are $2,666,261,390 as compared with $2,256,851,588 a year ago.

The current statement shows holdings of United States Government obligations of $1,827,681,573, the highest figure to date, against $1,692,372,868 on Dec. 31, 1942, and with $1,040,616,951 a year ago. The Company's capital and surplus remain unchanged at $90,000,000 and $170,000,000, respectively, and undivided profits total $23,445,680, compared with $22,547,059 on Dec. 31, 1942, and with $19,470,857 a year ago.

J. P. Morgan & Co. Incorporated, New York, in its statement of condition as of March 31, 1943, reports total resources of $744,722,361 and total deposits of $697,866,820, compared with $711,885,162 and $666,093,331 on Dec. 31, 1942. According to the current statement, cash on hand and due from banks amounted to $155,399,860, against $154,589,149 three months ago; U. S. Government securities (direct and fully guaranteed) to $464,815,117, compared with $426,826,911; State and municipal bonds and notes are now $25,130,519, against $22,582,297, and loans and bills purchased are shown as $69,611,052, compared with $79,607,408. The capital and surplus are unchanged from the close of the last quarter of $20,000,000 each, with undivided profits also the same at $1,817,508.

The Chemical Bank & Trust Company of New York reported, as of March 31, 1943, deposits of $1,041,405,430 and total assets of $1,133,964,753 compared respectively with $1,009,608,632 and $1,098,302,223 on March 31, 1942. Cash on hand and due from banks amounted at the latest date to $261,910,314 compared with $371,778,098; holdings of United States Government securities to $509,560,659 against $328,050,121; bankers' acceptances and call loans to $37,472,099 against $29,074,499; and loans and discounts to $149,273,845 against $156,926,040.

Capital was unchanged at $20,000,000 but surplus shows an increase from $50,000,000 to $55,000,000, reflecting the transfer on Dec. 10, 1942, of $5,000,000 from undivided profits to surplus, the third such increase in the past six years. Undivided profits were $5,805,606, and allowing for the above transfer, showed an increase for the year of $1,435,916 after the usual dividends of $3,600,000 ($1.80 per share). The indicated net earnings on the bank's 2,000,000 shares (par $10.00) amount to $2.52 per share for the year ended March 31, 1943, as compared with $2.48 per share for the same period a year ago.

The First National Bank of the City of New York, in its report of condition at the close of business March 31, 1943, shows total resources of $1,009,121,178 and total deposits of $882,706,810, compared with $1,014,254,349 and $887,300,349 on Dec. 31, 1942. Cash and due from Federal Reserve Bank and other banks, including exchanges, is listed at $198,109,465, against $195,270,184 three months ago; holdings of United States obligations, $640,766,090, compared with $620,757,312, and loans and discounts, $44,576,695, against $70,541,163. Capital and surplus remain unchanged at $10,000,000 and $100,000,000, respectively. Undivided profits are given as $11,758,384, after making provision for the April 1 dividend of $2,000,000, compared with $12,044,415 on Dec. 31, 1942, after providing for the Jan. 2 dividend of $2,000,000.

The East River Savings Bank of New York announced the following appointments April 1:

John P. Heney, appointed Assistant Vice-President. Mr. Heney, Manager of the Mortgage Servicing Division and Senior Mortgage Supervisor, was formerly Executive Secretary of the New York State Mortgage Commission and a Special Deputy Superintendent of Banks. He was in charge of the Liquidation Bureau and a general assistant to the Superintendent of Banks. Mr. Heney has been with the East River Savings Bank since 1940;

Theodore J. Kegelman, appointed Assistant Vice-President. Mr. Kegelman, Manager of the Rockefeller Center Office, has

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'Gas' Rations Cut in Half—Pleasure Driving Ban Off

To maintain gasoline rations for business purposes and other essential activities by restricting non-essential uses, the Office of Price Administration on March 17 extended the period for A-5 coupons, valid March 22, from two months to four months. The purpose of the measure, which in effect halves the value of the coupons, is to preserve the savings in gasoline made by the ban on pleasure-driving and to replace the penalties in the previous order with another method of control. The action followed certification by Petroleum Administrator Harold L. Ickes that less gasoline will be available in April for distribution to civilians, though the daily supply will be slightly more, because of a seasonal increase in demand. For the new ration period, motorists who have been allowed 12 gallons of gasoline a month will have to get along on an average of six. This has the effect of decreasing the value of No. 5 coupons from an average of three gallons to approximately 1⅓ gallons a week.

Price Administrator Prentiss M. Brown on March 19 announced that, except in rare cases, Eastern A gasoline bookholders will be unable to get supplemental rations unless they form ride-sharing clubs.

The official ban on pleasure driving, which was ordered early in January by the OPA for the East Coast rationed area, ended on March 22.

Morgenthau Outlines Proposed Post-War International Currency Stabilization Plan

(Continued from first page)

In special advices from Washington April 5 to the New York "Times" it was stated:

In the House Representative Andresen of Minnesota complained that the American press and people were "scooped" by London on the proposals. Later Secretary Morgenthau asserted that he had been "scooped" too.

"The President's plan," Mr. Andresen told the House, "has been cloaked with a great deal of secrecy as far as members of Congress and the American people are concerned. The first information is being given to several committees of the Senate today. Two committees of the House will be given the information tomorrow.

"London newspapers carried the entire Roosevelt-Morgenthau plan this morning and details were given to the world over an international broadcast at 8 o'clock.

"To my amazement, I learned from the London broadcast that we are going to set up a $5,000,000,000 international stabilization fund, presumably American gold, and create an international currency in ten-dollar dollar units called 'unitas.'

"The British financiers have proposed an international currency tied to the British pound called 'bancor,' and I assume that from here on the fight will be between 'unitas' and 'bancor' and the victor of the coming international currency battle will take over control of America's gold hoard of $22,600,000,000."

The Secretary's statement of April 5, as given in Associated Press advices from Washington, follows:

"For some time we in the Treasury have been deeply concerned with the threat of international monetary chaos at the end of this war.

"We feel that international currency stability is essential to reconstruction in the post-war period and to the resumption of private trade and finance. It is generally held that this formidable task can be successfully handled only through international cooperation.

"I think further that most of us would agree that the establishment of a program adequate to deal with the inevitable post-war monetary problems should not be postponed until the end of hostilities. It would be ill-advised, if not dangerous, to be unprepared for the difficult task of international monetary cooperation when the war ends.

"No one knows how long or how short the war will be. We therefore believe it is desirable to begin now to devise an international monetary agency adequate to cope with the problems with which we shall be confronted when the war does end.

"The completion of such a task is certain to take many months at the least. Specific and practical proposals must be formulated and must be carefully considered by the policy-shaping officials of the various countries. In each country acceptance of a definitive plan can follow only upon legislation or executive action. And even when a plan is finally adopted, much time will be consumed in establishing an organization capable of beginning effective work.

"There is another important reason for dealing with this problem now. A plan for international monetary cooperation can be a factor in winning the war. It has been suggested, and with much cogency, that the task of assuring the defeat of the Axis powers would be made easier if the victims of aggression, actual and potential, could have greater assurance that a victory of the United Nations will not mean in the economic sphere a repetition of the exchange instability and monetary collapse that followed the last war.

"That assurance should be given now. The people in all of the United Nations must be encouraged to feel themselves on solid ground. They must be given to understand that a victory of the United Nations will not usher in another two decades of widespread economic disruption. The people must know that we at least recognize the fundamental truth that prosperity, like peace, is indivisible.

"With these points in mind, the technical experts of the Treasury and other agencies of the Government for some time have been studying methods by which postwar monetary stability can be achieved. No specific plan has as yet been considered by this Government, but preliminary suggestions of our technical experts have been formulated and have been made available for exploratory study of the experts of other interested governments.

"The technical men of other governments have likewise been studying the problem.

"Our own thinking along the lines of currency stability has not been addressed to concocting some panacea that will automatically cure all the economic ailments of a post-war world. Rather we have attempted to address ourselves to the specific problem of foreign-exchange stability and the common-sense way of achieving this end.

"Our views are based on the rich experience that this country has had in cooperating with other governments in our attempts to maintain exchange stability. We have tried to adapt that experience to the broader and more difficult currency problems confronting the world during the post-war years.

"We have also kept in mind the pattern laid down by the tripartite agreement and our own stabilization agreements.

"Our tentative proposal is to establish an international stabilization fund in which all the United Nations and those nations which are associated with them in this war would participate. This fund would constitute an international agency with powers and resources adequate to promote the maintenance of currency stability.

"The cooperating governments who would participate in the program would, among other things, undertake not to engage in competitive depreciation of their currencies. This stability would be in large measure secured by fixing the value of currencies in terms of gold and by providing that changes could not be made without consultation with other members.

"The resources of the fund that we have in mind would be provided by the participating governments in an amount and form suited to each nation. Participation would be in the form of gold and local currency and public obligations of the member countries. The operations of the fund would include buying and selling of foreign exchange under adequate safeguards.

"The fund would deal only with treasuries and central banks. It would not compete with private banks or existing agencies. Its operations would be maintained only to supplement the efforts made by each member government to maintain monetary stability.

"The established channels of international trade and international banking would be retained in full for all international transactions.

"We have given special attention to the solution of certain troublesome monetary problems growing out of the war, and have included suggestions for handling of such problems. In particular, the fund would facilitate the restoration of free exchange markets and liberate the abnormal balances which have accumulated in some of the countries as a consequence of war conditions.

"The control of the operations of the funds would be in the hands of an international board appointed by the governments of the member countries, and the voting power on that board would be related to the contribution which each country makes to the required fund.

"The creation of an international agency of the character that we are contemplating is a logical development of the various tentative steps which have been made in the direction of stabilization of currencies during the immediate pre-war years.

"I have been anxious to discuss this matter with you and to keep you informed of developments. Obviously we are still in the early stages of our thinking and discussions. However, I did want you to know what we are doing and I do want to feel free to come back from time to time and discuss the subject with you and obtain your views and advice."

[Editor's Note—Full text of Treasury's Currency Stabilization Proposal appears in Section 1 of today's issue.]

Add'l Tires For Motorists Holding B Or C Books

In line with the Government's announced plans to keep the nation's automobiles rolling, the Office of Price Administration on March 16 announced that additional pre-Pearl Harbor and "Victory" tires will be available on April 1 to certain lower-mileage-ration passenger car owners. The release of these new casings under rationing to B and C card-holders will be for replacement of tires worn beyond the recapable stage.

An order issued on the same date by OPA makes it possible for a driver with a mileage ration of more than 240 miles monthly to get new casings of the lower qualities—Grade II—when he needs replacements. Previously only those with monthly mileage over 560 could get new tires.

The OPA also announced that motorists with mileage rations between 560 and 1,000 monthly—who until now have been eligible for new casings in the lower-quality backet only—will be able hereafter to get the Grade I tires which previously were reserved for cars with a ration of 1,000 miles or more a month.

The action of Rubber Director William M. Jeffers in releasing this substantial quantity of new tires from inventories on hand assures that all classifications of car owners will now be enabled to keep their cars on the road. Holders of A cards are eligible for used or recapped casings upon proper certification.

In making these tires available, officials of OPA and the Office of Rubber Director both stressed the importance of continuing all phases of the rubber conservation program, particularly the necessity of driving under 35 miles an hour.

More Successful In Inflation Curb Now Than In Last War, But Further Control Held Necessary

"Despite the vastly greater scale of our war effort, comparisons with the last war show that so far we have been more successful in combating inflation," says the annual report of the Federal Reserve Bank of New York, made available on March 30 by Allan Sproul, President of the Bank. The report goes on to say:

"Until the Spring of 1941, there was a marked similarity in the movement of wholesale prices in the two wars, a roughly horizontal movement for about a year followed by a gradual but accelerating rise, and many fears were at that time expressed that this similarity might continue. Our question was whether the great price rise, of about 50%, which occurred between the middle of 1916 and the middle of 1917, was about to be repeated, and this was part of a larger question, whether for the war as a whole we would repeat the earlier experience with prices. From 1915 to 1920, wholesale prices rose almost 150%, and the cost of living about doubled before the post-war deflation set in. Looking back, we can now see how much more fortunate our experience has been, thus far, than in the last war. The total rise of wholesale prices since the war began in 1939 has been only about one-third as compared with about 83% for the corresponding period of the last war, and the rise in the cost of living has been about 22%, compared with 36% in the same period of the last war.

"For our success thus far in avoiding a more substantial degree of inflation, despite our huge war program, chief importance must be given to the expansibility of our economy."

The report, however, observes that "despite our comparative success in avoiding serious inflation thus far, there have been signs of late that we may be entering a more critical phase of our war effort." It further comments:

"In recent months, there has been a more pronounced rise of farm prices, and a growing fear of a vicious spiral of rising cost of living and wage rates. Hourly earnings in industry have continued to rise more rapidly than the cost of living, and the payment of time-and-a-half for overtime beyond 40 hours per week would seem bound to accentuate this tendency as the 48-hour week goes into more general effect. The situation with regard to manpower, materials, and equipment is becoming rapidly tighter. We are facing in 1943 the withdrawal of several millions from the labor market into the armed forces at the same time that employment must be increased by several millions if the demands of the war program and the food program are to be met. In the face of these signs of growing strain upon resources, it will become increasingly necessary to heighten the emphasis upon control of consumption, by a combination of increased taxation in the income brackets where income has increased, absorption of substantial amounts of current incomes through sales of Government securities to the public, rationing, and more comprehensive price and wage controls, and to rely less than we have done heretofore on continued general expansion of production."

Discussing "Capital and Gold Movements" Mr. Sproul notes that "the transition of most of the world from a peacetime to wartime economy had, as might be expected, further far-reaching effects during 1942 on the character of the balance of payments between the United States and foreign countries." Continuing, he says:

"As a result of the virtually world-wide application of controls over gold and the foreign exchanges, gold and capital movements are now largely on a government-to-government basis and such international transfers of private capital as do occur in general are permitted only if they do not detract from the war effort. Even in the case of official transfers, credit arrangements by Government agencies, undertaken principally to facilitate the movement of goods between Allies, have to a large extent eliminated the need of cash settlement of balances arising from the international flow of goods. Foreign trade in turn is no longer influenced by the usual peacetime consideration of maintaining some degree of balance, but primarily by the need of war material at the various fronts and the productive and shipping facilities available to satisfy the demand."

Presenting a diagram showing the cumulative movement of gold, capital, and merchandise trade for the past eight years, Mr. Sproul calls attention to the changing character of the United States balance of international payments, and says:

"It can be seen that the excess of our merchandise exports over imports rose precipitously during 1942. Total exports from the United States amounted to $7,826,000,000, or 52% above the 1941 total. At the same time, imports from abroad declined 18% from the previous year's total to $2,743,000,000, although this amount excludes goods purchased abroad which were not imported during 1942. While in previous years the 'favorable' trade balance of the United States had been a substantial factor in this country's acquisition of most of the world's gold supply, there was actually some reduction in our gold stock during 1942, despite a merchandise export surplus which was the largest on record. The explanation lies primarily in the fact that of the year's total exports, considerably more than one-half was made under the lend-lease program. Exports on a cash basis, amounting to $3,158,000,000, were, in fact, only slightly larger than our cash imports, excluding goods purchased and accumulated in stock piles abroad.

"During the year under review, therefore, the trade surplus of the United States was chiefly offset in the balance of international payments by what may be considered a special type of foreign loan, rather than by a reduction in foreign holdings of gold and dollar exchange, as had been the case in other recent years. To the extent that our lend-lease assistance has not been offset by reciprocal aid given to us, our claims on the recipients of lend-lease aid constitute, in a technical sense, an 'export' of American capital. Some indication of the magnitude of this 'export' may be seen from the fact that from March, 1941, through December, 1942, the total of goods transferred and services rendered under the Lend-Lease Act amounted to $8,253,000,000, of which $7,009,000,000 occurred during 1942. Toward the end of the year, lend-lease aid was being provided at an annual rate of about $10,000,000,000.

"In addition to lend-lease assistance, outright financial aid has been rendered to many anti-Axis countries. The largest single recipient of credit during 1942 was China. In April $200,000,000 was made available out of the $500,000,000 aid to China authorized by the Congress in March, 1942. Furthermore, a number of countries received considerable amounts of dollar exchange in payment of our expenses in connection with our military and other operations abroad.

"Inasmuch as these credits and payments made a large supply of dollars available at a time when the lend-lease program reduced foreigners' needs of dollar exchange, 1942 witnessed a material rise in foreign-owned funds held in the United States. According to the published figures, foreign banking funds in this country rose by $394,000,000 for the first 11 months of 1942; most, or $312,400,000, of the increase was for the account of foreign central banks, governments, and their agencies. When a further reduction in American banking funds abroad and international security transactions are taken into consideration, the recorded 'inflow' of funds during this period amounted to $530,900,000, and this amount excludes funds used for the purchase and earmarking of gold here during the year.

"This movement, which followed a sizable reduction in foreign holdings of dollar exchange in 1941, resumed the 'inflow' which had persisted for several years prior to 1941. It should be emphasized, however, that the 1942 movement differed greatly in nature from that of the earlier years. The movement in 1942 was an 'inflow' only in the sense that there was an increase in the amount of dollars owned by foreigners, resulting from an excess of cash payments made to foreigners over cash payments received from foreigners. It was, in fact, much more than offset by the unreported 'outflow' of American capital arising from our foreign lending including lend-lease operations. The movement in the earlier years, on the other hand, reflected a conversion of foreign currency or other means of payment into dollar assets — it reflected an actual inflow of foreign capital."

Under the head "Foreign Relations" the report says:

"Deposits of foreign central banks and governments at the Federal Reserve Banks amounted to $792,800,000 on Dec. 31, 1942, little changed from the figure a year earlier. Reflecting, however, considerable interest of foreign central banks and governments in acquiring United States Government securities, the total of such securities held by this bank for foreign account at the end of 1942 amounted to $481,000,000, an increase of $319,000,000 for the year. In addition, there was the increase of $458,400,000 in earmarked gold holdings for foreign account, commented upon previously in this report. Largely as a result of the increases in United States Government securities and earmarked gold, the total amount of funds held by the Reserve Banks for foreign account rose $791,000,000 during the year to reach a new high figure of nearly $4,000,000,000.

"Balances which this Bank holds abroad for its own and other Federal Reserve Banks' accounts showed virtually no change during 1942. There continued to be no holdings of commercial bills denominated in foreign currencies.

"A series of six short-term loans, secured by gold earmarked at this Bank, were made to a Latin American central bank during 1942. These loans were made for the purpose of providing dollar exchange, an adequate supply of which was not being promptly obtained because of war-time delays in the shipment of export products to the United States. By the end of the year, four of the loans had been repaid, and the outstanding balance owed on Dec. 31, 1942, was $2,500,000. This loan operation was effected by this Bank with the approval of the Board of Governors of the Federal Reserve System and was participated in by other Reserve Banks.

"Foreign operations, conducted by this Bank as fiscal agent of the United States, increased considerably during 1942. With the United States at war, the scope of governmental transactions of a foreign nature naturally widened and in this connection this Bank acted as agent of the Treasury and of certain Government agencies."

Figures of the Bank's earnings for the calendar years 1942 and 1941 are embodied in the report; these were made available earlier in the year and were given in our Jan. 28 issue, page 381.

President Vetoes Bankhead Farm Parity Bill; Says Measure Is Inflationary And Dangerous

President Roosevelt vetoed on April 2 the so-called Bankhead bill to prevent the deduction of Government benefit payments in determining parity or comparable prices for agricultural products.

In his veto message to the Senate, the President said he was compelled to take this action because the measure is "inflationary in character," is "wholly inconsistent with our stabilization program, and, therefore, dangerous alike to our constructive farm policy and to our whole war effort."

After reviewing the legislative history of the measure, to justify his interpretation of the Stabilization Act of Oct. 2, 1942, Mr. Roosevelt said that "this bill would go beyond the goal of parity income and give to these producers an unwarranted bonus at the expense of the consumer." He added that the farmer is "substantially better off" than he was in the last war but that he would not remain so "if we set loose an inflationary tornado."

Citing the increased dollar income, purchasing power and parity income of the farmer, the President said that the farmers present favorable position "can be held only if our general stabilization program succeeds" and that this program can succeed "only if all groups except those on the very margin of subsistence are willing to recognize that for the duration they not only cannot expect to improve their living standards, but must indeed be willing to bear their fair share of the cost of stabilization."

The President estimated that the bill might swell the cost of living more than 5% and add more than $1,000,000,000 to the consumers' food budget and several hundred million dollars to the cost of feeding the armed forces and supplying our Allies.

In appealing to the "considered judgment" of Congress to reject the Bankhead bill, the President stated that "if by this bill you force an increase in the cost of the basic foodstuffs, and as a result the National War Labor Board increases wages, no one can tell where increases will start or what those increased wages will ultimately cost the farmers and all people of the nation."

Congressional action on the Bankhead bill was completed on March 26 when the Senate adopted the House version. The bill was originally approved by the Senate on Feb. 25 by the overwhelming vote of 78 to 2 but the House, in adopting it on March 24 by a standing vote of 149 to 40, revised the measure so as to make it an amendment to the 1942 Price Control Act. This change was accepted by the Senate on March 26 and the measure was sent to the White House. Final Senate approval came despite Price Administrator Prentiss Brown's plea that the bill be rejected. Mr. Brown contended that enactment of this bill would raise retail food prices 7%; add $1,500,000,000 to the consumer's food budget, and cost the Government an additional $500,000,000 a year to feed the armed forces and supply our Allies.

The bill, sponsored by Senator Bankhead (Dem., Ala.), has the effect of nullifying President Roosevelt's interpretation of the farm provisions of the Stabilization Act, enacted Oct. 2, 1942. The President's economic stabilization order authorized the deduction of Government benefit payments in setting price ceilings on farm products. It was claimed that this was in violation of the intent of Congress.

In his bill, Senator Bankhead stipulated "that, in determining the parity price or comparable price for any agricultural commodity, and in establishing, maintaining or adjusting any maximum price or prices for any agricultural commodity, or for any commodity processed or manufactured in whole or in substantial part from any agricultural commodity, no deduction shall be made by any agency of the Government for any subsidy payment, parity payment, conservation payment, incentive payment, or other payment made with respect to any agricultural commodity."

The effect of the bill, it is explained, is to allow commodity prices, and any commodity processed or manufactured in whole or substantial part from any agricultural commodity, to rise to the full ceiling or parity price, with any benefit payments or incentive payments to farmers to encourage war production being in addition to such ceilings.

The Congressional controversy over the Administration's interpretation of this law was referred to in our issue of Dec. 31, page 2336.

N. Y. District Plans April War Loan Drive

Plans for the April War Loan drive were outlined to 450 investment dealers at the Federal Reserve Bank of New York on March 23 by Allan Sproul, President of the bank and Chairman of the War Finance Committee for the Second District, and Perry E. Hall, Executive Manager of the New York Victory Fund Committee.

It was announced at the meeting that of the $13,000,000,000 to be raised in the nation-wide campaign, beginning April 12, $8,000,000,000 is to come from non-commercial bank sources, and of the latter amount the New York district is to raise at least $3,000,000,000.

It is expected that 40,000 volunteer salesmen will be available for the Treasury drive in the New York area. Mr. Hall announced recently that Harry W. Beebe, Vice-President of Harriman Ripley & Co., Inc.; Irving D. Fish, partner of Smith, Barney & Co., and Percy M. Stewart, partner of Kuhn, Loeb & Co., have become associated with the New York Victory Fund group. They will make their headquarters at the Federal Reserve Bank of New York, and will be assigned the specific task of coordinating the efforts of banks and investment dealers in Region 8, which includes Manhattan and the Bronx.

Population of U. S. Reaches 135,604,000

The Bureau of the Census reported on March 22 that the population of the continental United States had reached 135,604,000 on Jan. 1, an increase of 1,651,000 during 1942, or nearly double the average yearly gain for the past decade. The Associated Press reports that the sharp gain was attributed principally to the record of 3,020,153 births last year, which the Bureau said "resulted primarily from business prosperity induced by war activity and from anticipation of conscription."

The Jan. 1 population estimate compares with 133,669,275 on April 1, 1940, date of the last census, and an estimated 133,953,000 on Jan. 1, 1942.

Estimates $100,000,000 Borrowed To Pay Income Taxes; Favors Pay-Go Tax Plan

A minimum of 50,000 New York families borrowed from banks and lending agencies what is indicated as a conservatively estimated $10,000,000 to pay their first quarter income taxes, and over the nation at least 500,000 families borrowed a minimum of $100,000,000 for the same purpose, according to a statement issued by Syd J. Hughes, Vice-President of the Morris Plan Bank of New York, which claims to be the largest consumer credit bank in the country.

In issuing the statement, Mr. Hughes, who is also a Director of the Consumer Banking Institute, Washington, said that such loans would be eliminated if the Ruml, or some similar pay-as-you-go tax plan were adopted by Congress.

"The actual figures, when available," Mr. Hughes said, "will no doubt be much larger, and under the acceleration of higher cost of living, the three remaining tax instalments and the proposed 20% withholding tax, the number of tax-paying borrowers might very likely rise to as many as 5,000,000 involving $1,000,000,000 directly or indirectly due to the present tax base.

Mr. Hughes further stated:

"The danger signal in this entire situation is not in the fact that people borrow to pay their income taxes. Many have always done so purely for the sake of the convenience of paying all their taxes in a lump sum and amortizing the loan in convenient monthly budget payments.

"This year such borrowing is more one of grim necessity and the three more payments are yet to come plus a salary withholding tax.

"The estimate of $100,000,000 in such tax loans for the first quarter is very conservative, in my opinion. It is predicated on certain reported volume of 'personal loans' as made by banks with personal loan departments, industrial banks of the Morris Plan type, personal loan companies and credit unions, the latter lending agencies set up within a given business or industry by the employees themselves such as the Municipal Credit Union of New York with a volume of millions of dollars of loans among city employees.

"The estimate does not include the thousands of banks where a personal loan department is not maintained as such yet where a large volume of this type of business is handled in the regular course of the bank's business. It does not include tax loans secured by collateral such as stocks and bonds made by banks in their commercial loan departments. It does not include short-term loans made by banks by the thousands for 30, 60, or 90 days. It does not include the large volume of loans made by insurance companies, nor in number of loans does the estimate include those loans where two or more tax payers may make a joint loan sharing the proceeds among them. The latter is a common practice.

"The Federal Reserve Board has the machinery available to collect fairly accurate figures from the banks and other lending agencies previously mentioned, but such a survey would not encompass all the other types of borrowing just outlined nor would it be accurate in the sense that loan applications may show the proceeds to be used for some other purpose and where that other purpose was made necessary by the diverting of current funds into tax payments.

"Borrowing continues for this reason. People who depleted their current working funds to pay their first quarter taxes are now borrowing to pay other neglected bills and to improve their individual cash positions.

"Loans of this type will increase as the year progresses.

"It seems to be as simple as A-B-C and as plain as the nose on your face that the Ruml Plan would largely correct an already pressing problem for millions of taxpayers and certainly would head off the hopeless predicament that millions more face in the months and years ahead with still larger tax accumulations likely long before relief will come in the form of lower taxes.

"Further, when we observe that loans are made for taxes, we are, as a rule, talking about entire families rather than individuals. It is a different thing to say that a half million or a million loans were made for this purpose than to say a half million or a million families were so involved. Because the family unit would double or treble the actual number of people involved. If the family head is under financial pressure the whole family is under a corresponding pressure with drastically reduced family budgets, meaning the sacrifice of many things necessary to the basic health and comfort of the home itself.

"Few men without families are involved in these figures because most men, up to 38 at least, are in the military services. Further, single people have always been far in the minority among tax borrowers. It is the family head, beset with all the normal financial problems of running a home who now finds himself approaching a point that can completely break down the home economy if some relief is not forthcoming — and promptly.

"A half million or a million taxpaying families may seem a small minority compared with the total number of people now subject to taxation, but it must be remembered that millions of the new taxpayers are in the lowest income groups whose taxes are comparatively small and their aggregate total of taxes paid is small percentagewise to the total taxes collected.

"It is the middle and upper income groups who pay the bulk of the taxes, the groups who have been in income tax brackets for years and now fall into the tax-borrowing class. They are the stable year-in and year-out tax producers on whom the government must depend rather than the new emergency war-time taxpayer whose contribution is relatively small." Mr. Hughes further said:

"Examination of records bears out the perfectly human contention of the Ruml Plan exponents that a great many families, principally white collar workers who are not benefiting by high war wages (to the contrary) have not been able to save over enough money from their 1942 earnings to pay their greatly increased tax rates payable the year after. Neither will they save enough during 1943 to pay the probable higher taxes in 1944.

"A pay-as-you-go program coupled with a salary deduction plan, as inconsistent as it may sound, means that these families will adjust their affairs over a period of time in such a way that the government gets its taxes, in full and on time, and the citizen taxpayer is rendered debt-free, with a tightened belt perhaps, but not dragging under the weight of a year's accumulated taxes."

FHLB Sells Debentures

The Federal Home Loan Banks sold on March 17, at par, an issue of $35,000,000 ¾% series N consolidated debentures, it was announced by Everett Smith, New York financial representative. The issue was heavily oversubscribed. The debentures are dated April 1, 1943, and mature Oct. 1, 1943. The proceeds from the sale, together with the $2,500,000 from the bank's surplus fund, will be used to pay off on April 1 two series of debentures aggregating $37,500,000.

Giving effect to this refunding operation, the consolidated debt of the 12 regional banks will be confined to the new issue. On Dec. 31, 1942, there were outstanding three issues aggregating $69,500,000.

Two Years Lend-Lease Was $9.6 Billion

Edward R. Stettinius, Jr., Lend-Lease Administrator, reported to Congress on March 11 that from March 11, 1941, to March 1, 1943, the total value of lend-lease aid was $9,631,793,000 and that of this amount $7,830,860,000 represented goods transferred and $1,800,933,000 for services rendered.

Mr. Stettinius's report, submitted on the second anniversary of enactment of the law, showed that of the total lend-lease aid $4,430,048,000 went to the United Kingdom, $1,825,600,000 to Russia, $1,573,018,000 to Africa and the Middle East, $1,343,567,000 to China, India, Australia and New Zealand, and $459,560,000 to other countries whose defense is considered essential to the defense of the United States.

The report further disclosed a shifting of lend-lease aid from the United Kingdom, which received 68% of all shipments in the first year, to other areas. Percentages of total shipments for the second year:

United Kingdom, 38%; Russia, 29%; Middle East and Africa, 15%; Australia, New Zealand, China and India, 14%; other areas, 4%.

Mr. Stettinius further reported that "almost as much aid was provided in the last six months as in the previous 18 months." He added:

"In the last 12 months we shipped to our Allies, under lend-lease or in fulfillment of previous direct purchase contracts, 30 out of every 100 bombers we produced, 38 out of every 100 fighter planes, 28 out of every 100 light tanks and 33 out of every 100 medium tanks."

The report said that in the three important categories—combat planes, tanks and other military motor vehicles—lend-lease shipments to Russia exceeded shipments to any other military theater. It was further explained:

"Half of all the tanks shipped so far under lend-lease have gone to Russia and 40% of all the tactical planes. We also developed the southern supply route to Russia as an alternative for the Murmansk-Archangel route, and we began lend-lease shipments to Russia by both air and water from the Pacific Coast. By the end of 1942 the capacity of the Persian-Iran route to Russia was three times what it was at the beginning of the year.

"British aid to Russia in planes and tanks has matched our own in volume. Two-thirds of all supplies sent to Russia from this country have been transported in American ships. Moreover, the great majority of the supplies to the Soviet Union are arriving safely."

Mr. Stettinius also told Congress that lend-lease goods valued at $1,977,000,000 were transferred in the three months ended March 1. Of these transfers, 60% were munitions, 16% agricultural products and 24% industrial materials.

Of the $7,830,860,000 worth of goods transferred in two years, $4,294,271,000 was in munitions, $2,087,525,000 in industrial products and $1,449,064,000 in agricultural products.

The report also stressed the value of reciprocal lend-lease aid from the Allies to United States forces.

Record Income Tax Payment Hailed By Sullivan As Proof Of People's Unity & Loyalty

Assistant Secretary of the Treasury John L. Sullivan declared on March 30 that "in the first two weeks of March the American people gave a tremendous, overwhelming proof of unity and loyalty" by "willingly and gladly pouring into their Federal Treasury the greatest flood of income taxes in the history of this or any other nation."

In an address before the Boston Advertising Club, Mr. Sullivan said that, despite confusion regarding pending proposals in Congress, the manner in which the American people paid their taxes was "heartening and inspiring."

Mr. Sullivan further declared:

"I believe that when the history of this war is written, one of the facts that will amaze and mystify not only the peoples but the leaders of our enemies and allies alike is the degree to which all people of America have helped our Government finance this war. I predict to you today that during this war more American people, through taxes willingly paid and through bonds voluntarily purchased, will have participated in financing this war more completely than any other people in any land in history.

"I would like to give you a few facts and figures demonstrating the growth and popularization of the Federal income tax as an instrument in supporting the Federal Government. Ten years ago, in the fiscal year 1933, total individual income tax collections yielded $352,573,000. That year 3,723,558 people filed a return. Never until 1940 did we receive as many as 8,000,000 individual income tax returns. In 1941, more than 15,000,000 individuals filed returns. In 1942, 26,500,000 people filed income tax returns. This year, more than 40,000,000 people have filed income tax returns.

"The revenue received from corporate and individual tax returns 10 years ago in the fiscal year 1933 amounted to $746,791,000. In the fiscal year 1940, they yielded $2,121,000,000; in 1941, $3,462,000,000; in 1942, $8,002,000,000, and for the current fiscal year, we estimate they will yield $17,567,000,000. Surely no one can now charge that the Federal income tax payers are an exclusive group nor that the great bulk of the American people are not contributing liberally to the support of their Government and the financing of the war. There are some other facts about this development of the Federal income tax that may be of interest to you. Ten years ago, in the fiscal year 1933, while we were collecting $747,000,000 from 2,000,000 individual and corporate taxpayers, the Bureau of Internal Revenue had a total of 11,500 employees. This year when we hope to collect $17,000,000,000 from more than 40,000,000 taxpayers, the Bureau personnel is only 34,000. Thus while collections increased 23 times and the number of returns increased 20 times the Bureau personnel increased only 3 times.

"I am well aware that in every well-conducted business unit costs decrease as production mounts. This has been the case in the collection of Federal taxes. During the first two months of this year, a vicious rumor was circulated in certain parts of this country that the costs of collection of Federal taxes were fantastic. Because of that rumor and because of a general feeling that collection costs are in fact high, I would like to tell you just how much it has cost the Treasury to collect your tax dollars. In the fiscal year 1940, it cost us $1.12 for every $100 we collected. In the fiscal year 1941, 89 cents for every $100 collected. Last year, the cost of collection was 57 cents for every $100, and in the year which closes June 30, 1943, we expect the final analysis will show that for every $100 collected we will have spent less than 50 cents to collect it. Let this figure be the answer to all who talk of Federal inefficiency and extravagance in the collection of the Federal revenues."

Mr. Sullivan also gave figures to disprove reports that a great amount of individual income taxes have been uncollectible and that the percentage of American citizens and businessmen who "try to chisel on Uncle Sam is gratifyingly low."

New MBA Legal Division

Organization of a new legal division of the Mortgage Bankers Association of America, to which attorneys for member firms will be invited to join as associate members, was announced on March 28. It is pointed out that while the association's more than 700 members in 42 States embrace mortgage firms, real estate organizations, life insurance and title trust companies and commercial banks, this is the second divisional group established. The first was organized in 1937 for banks and mutual savings banks.

"Primary reason for the action," said Charles A. Mullenix, association President, "is that the services of attorneys serving mortgage banking firms have become increasingly important in recent years."

Mr. Mullenix added:

"Many have asked for a closer and more direct contact with the work on the association so that they could better understand the work and activities of the national mortgage group. It is hoped this new legal division will meet the needs of attorneys whose work requires specialized knowledge of mortgage banking."

Miller B. Pennell, Cleveland, is counsel for the association and will be active in directing the work of the division.

Cotton Consumption In February

Under date of March 15, 1943, the Census Bureau at Washington issued its report showing cotton consumed in the United States, cotton on hand, and active cotton spindles in the month of February.

In the month of February, 1943, cotton consumed amounted to 878,154 bales of lint and 98,449 bales of linters, as compared with 915,479 of lint and 110,578 bales of linters in January, 1943, and 892,288 bales of lint and 107,584 bales of linters in February, 1942.

For the seven months ending with Feb. 28, cotton consumption was 6,505,910 bales of lint and 783,802 bales of linters, against 6,283,012 bales of lint and 844,089 bales of linters in the same seven months a year ago.

There were 2,528,515 bales of lint and 501,929 bales of linters on hand in consuming establishments on Feb. 28, 1943, which compares with 2,582,393 bales of lint and 558,377 bales of linters on Feb. 28, 1942.

12,373,506 bales of lint and 94,453 bales of linters were on hand in public storage and at compresses on Feb. 28, 1943, and 13,069,379 bales of lint and 90,713 bales of linters on Jan. 31, 1943, and 12,211,947 bales of lint and 178,947 bales of linters on Feb. 28, 1942.

There were 22,859,160 cotton spindles active during February, 1943, which compares with 23,087,626 active cotton spindles during January, 1943, and with 23,087,626 active cotton spindles during February, 1942.

President Signs Bill Continuing Lend-Lease For Another Year—Aid Program Two Years Old

The measure continuing for another year the life of the Lend-Lease Act was signed by President Roosevelt on March 11, the second anniversary of the enactment of the original law.

The President's action came shortly after the Senate unanimously approved the resolution by a vote of 82 to 0. The House had adopted the year's extension—to June 30, 1944—on March 10 by a 407 to 6 vote.

In a statement, read to a luncheon marking the second anniversary of the lend-lease program, the President said that as the United Nations "strike again and again, lend-lease and reciprocal aid will contribute increasingly to the inevitable defeat of the Axis."

Edward R. Stettinius, Jr., Lend-Lease Administrator, disclosed in his eighth quarterly report to Congress that lend-lease aid from its inception March 11, 1941, to March 1, 1943, totaled $9,632,000,000.

Attending the anniversary luncheon, given by Mr. Stettinius and other officials of the Lend-Lease Administration, were Vice-President Wallace, Maxim Litvinov, Russian Ambassador; T. V. Soong, Chinese Foreign Minister; Viscount Halifax, British Ambassador, and representatives of all other United Nations.

The President's message, read by Vice-President Wallace, follows:

"Two years ago, on March 11, 1941, the Lend-Lease Act was approved.

"Hitler had promised his people that this war would be a short one, a single-front war—that our aid would be too little and too late.

"Such also were the promises of the military junta or Japan.

"Time has given the lie to their promises.

"Our promises have stood the test of time.

"For today, as we observe the second anniversary of the Lend-Lease Act, the United Nations are on the offensive.

"Two years ago the question was — where would the Axis strike next? Now the question is —where will the United Nations strike next? The enemy will receive its answers on battlefields of our own choosing.

"As we strike again and again, lend-lease and reciprocal aid will contribute increasingly to the inevitable defeat of the Axis.

"And this mutual aid has become more than a joint weapon of war. In the smoke of battle, lend-lease is helping to forge the unity that will be required to make a just and lasting peace."

In brief remarks, Mr. Litinov said that "supplies received through lend-lease have been an enormous help, and as such are deeply appreciated by the people of the Soviet Union, who are fully aware of its extent."

Dr. Soong made an appeal for more material assistance under the mutual aid program for China, indicating that the amount thus far received is insufficient.

Lord Halifax said that his country was grateful for the aid received and declared that lend-lease will contribute to the "constructive tasks of peace."

Senate passage of the continuing resolution came after brief debate in which there was no substantial controversy on renewal.

However, in the House debate on March 10 there was an attempt to give Congress final authority over any lend-lease post-war settlement agreements but this proposal was defeated by a teller vote of 178 to 118.

The rider to give Congress veto powers over final settlement of lend-lease benefits was proposed by Representative Vorys (Rep., Ohio) with the contention that it would "set up the machinery for cooperation" by the executive and legislative branches of Government on post-war problems.

In its report recommending the extension bill, the Senate Foreign Relations Committee on March 10 included a warning as to major post-war economic agreements. The Committee's report said in this respect:

"The Committee believes there is no authority in the Lend-Lease Act to warrant any general post-war commitments or post-war policies in agreements made under the terms of the Lend-Lease Act.

"The problem of air and naval bases as they affect the security of the United States goes far beyond the field of lend-lease alone, yet its solution may give rise to some lend-lease benefits under Section 3B. This problem is believed to be an integral part of the United Nations general problem of winning the war."

Mr. Stettinius had testified before the Committee on March 1 that lend-lease shipments of agricultural products to other countries are not responsible for any food shortage in the United States. Urging continuance of the lend-lease program for another year, Mr. Stettinius said that the dollar value of food shipments ot other nations last year was only 6% of American farm production.

The House Foreign Affairs Committee's report calling for extension was referred to in our issue of March 11, page 922.

O'Neill Heads ABA Farm Legislative Group

Charles T. O'Neill, Vice-President and Trust Officer of the National Bank and Trust Co., Charlottesville, Va., has been named Chairman of the subcommittee on Agricultural Credit of the Committee on Federal Legislation of the American Bankers Association, by W. L. Hemingway, President of the ABA.

Mr. O'Neill takes the place of Wood Netherland, Vice-President of the Mercantile Commerce Bank and Trust Co., St. Louis, who has had to take a month's vacation because of ill health. Mr. Netherland has relinquished this post, says the ABA announcement issued March 15, in order that there may be no interruption in the directing of the intensive fight which the ABA is waging against the competition of Government lending agencies with country banks in the field of agricultural credit. He will continue, however, to serve as Vice-Chairman of the Committee on Federal Legislation, of which ABA Vice-President Wiggins is Chairman.

Mr. O'Neill has been a member of the ABA Agricultural Commission for the past two years and a member of its Food for Freedom Committee since its inception. He is Chairman of the Agricultural Committee of the Virginia Bankers Association and officer in charge of agricultural loans in a country bank in Virginia.

Yates Asst. Comptroller

The Senate on April 2 confirmed President Roosevelt's nomination of Frank L. Yates of West Virginia to be Assistant Comptroller General of the United States for a term of 15 years. Mr. Yates, who has been associated with the General Accounting Office since 1919, was named by the President on March 16 to succeed Richard N. Elliott, who is retiring.

Colorado Governor Orders Halt In Drafting Farm Workers

An immediate halt to military induction of Colorado men actually engaged in farming, stock raising and dairying was ordered on March 25 by the Republican Governor, John C. Vivian.

In ordering the blanket deferment of farm workers, Governor Vivian directed Brig. Gen. H. H. Richardson, State Selective Service Director, "to notify all draft boards of Colorado to immediately cease ordering to duty boys actually engaged in farming, stock raising or dairying."

This order was the first of its kind ever issued by a Governor. Mr. Vivian based his action on a provision of the National Selective Service Act which reads: "The Governor of each State shall have charge of the administration of the Selective Service Law in his State."

Gen. Richardson forwarded Governor Vivian's directive to Maj. Gen. Lewis B. Hershey, Selective Service head in Washington, and meanwhile ordered Colorado draft boards "to continue the present policy concerning selection of agricultural workers for military duty."

However, on March 30, General Richardson, acting in compliance with the Governor's directive, outlined a new procedure to be followed. Local boards were instructed to refer the cases of all their farmer-registrants to their respective county war boards. Associated Press advices from Denver March 30 further said:

"The county war boards must place the registrant in farm work or the registrant's case will revert to the local board. All referrals must be reported to State Selective Service headquarters."

Cohen Heads SEC Division

The Securities and Exchange Commission announced on March 18 the resignation of John W. Houser as Director of the Public Utilities Division who is leaving to assume an administrative position with the Board of Economic Warfare in North Africa. It was indicated that his resignation would take effect at an early date.

Mr. Houser had been head of the Division since January, 1942, when he succeeded Robert H. O'Brien, who became a member of the Commission (referred to in these columns of Feb. 12, 1942, page 659).

The Commission also announced the appointment of Milton H. Cohen of Milwaukee as Director of the Public Utilities Division to succeed Mr. Houser, and Donald C. Cook of Escanaba, Mich., as Assistant Director to succeed Mr. Cohen.

Mr. Cohen has been associated with the Commission since August, 1935, during which time he has served with the Legal Division, and since 1939 with the Public Utilities Division. He has been Assistant Director of the Division since March, 1942. Mr. Cohen is a graduate of Harvard and the Harvard Law School and is a member of the bar of the State of Wisconsin.

Mr. Cook has been associated with the Commission since 1935, first serving with the Registration Division, and since May of 1938 with the Public Utilities Division, where he now is chief of the Utility Section in charge of matters concerning the Associated Gas & Electric system and other companies. He is a graduate of the University of Michigan and George Washington University, a member of the bar of the State of Michigan and a certified public accountant of the State of Maryland.

Press Representatives Confer With Morgenthau On War Loan Drive—Form Newspaper Council

An Allied Newspaper Council to support the Treasury's $13,000,000,000 Second War Loan drive to be launched on April 12 was formed in Washington on March 21 by representatives of the newspapers of the country. The action followed conferences which leaders of the American press had with Government officials on March 20 in the Treasury to discuss plans for cooperating in the drive. The Treasury announcement said:

"Representatives of publishers, editors, newspaper chains and the advertising industry studied suggestions for the campaign with officials of the Treasury, the Federal Reserve System and the Office of War Information. Goal of the meeting was a comprehensive program for newspaper and advertising participation in the war financing drive.

"The following accepted Secretary Morgenthau's invitation to the conference:

"Walter M. Dear of Jersey City, N. J., President of the American Newspaper Publishers Association.

"John S. Knight of Miami, Fla., Vice-President of the American Society of Newspaper Editors.

"Basil L. Walters of Minneapolis, Minn., Secretary of the American Society of Newspaper Editors.

"E. S. Friendly and Chester LaRoche of New York City and Linwood I. Noyes of Ironwood, Mich., representing the Advertising Council, Inc.

"E. H. Abels of Lawrence, Kan., President of the National Editorial Association.

"A. C. Hudnutt of Elyria, Ohio, President of the Inland Daily Press Association.

"O. G. Andrews of New London, Conn., President of the New England Daily Newspaper Association.

"Charles P. Manship of Baton Rouge, La., President of the Southern Newspaper Publishers Association.

"Cranston Williams of New York City, General Manager of the American Newspaper Publishers Association.

"W. M. Baskervill of Baltimore, representing the Hearst Publications.

"Frank E. Gannett of Rochester, N. Y., President of the Gannett Newspapers.

"Roy D. Moore of Canton, Ohio, Vice-President and General Manager of the Brush-Moore Newspapers and State Administrator for Ohio of the War Savings Staff.

"H. W. Stodghill of Philadelphia, Pa., Business Manager of the Philadelphia Bulletin.

"Government officials present, in addition to Secretary Morgenthau, were Vice-Chairman Ronald Ransom of the Board of Governors of the Federal Reserve System; Gardner Cowles, Jr., Domestic Director of the Office of War Information; James C. Rogers, Jr., of the Office of War Information; Under Secretary of the Treasury Daniel W. Bell; Assistant Secretary of the Treasury Herbert E. Gaston; William M. Robbins, Chairman of the United States Treasury War Finance Committee; Theodore R. Gamble and George Buffington, Assistants to the Secretary of the Treasury; Stuart Peabody, advertising specialist for the Second War Loan Drive, and Wesley Lindow of the Treasury's Division of Research and Statistics."

On March 29 Secretary Morgenthau announced that Frank Tripp, of Elmira, N. Y., has agreed to serve as Chairman of the Allied Newspaper Council in connection with the sale of Treasury bonds.

Mr. Tripp, who is general manager of the Gannett newspapers and chairman of the Bureau of Advertising of the American Newspaper Publishers Association, was the unanimous choice of the publishers and editors who attended a meeting on March 20 in the Treasury to consider what newspapers might do to help the War Loan Drive. Of the $13,000,000,000 goal it is intended that $8,000,000,000 will be obtained from non-banking sources.

Don Bridge, newspaper advertising executive, formerly of the New York "Times" and of the Indianapolis "News," has been assigned by the Treasury War Finance Committee to work with Mr. Tripp. Jerome T. Barnum, former publisher of the Syracuse "Post-Standard," also will give his time to the effort, directly representing Mr. Tripp.

Regarding the formation of the Council, Associated Press accounts from Washington March 21 said:

"The Council recalled that newspapers 'were almost entirely responsible for the success' of last year's campaign to collect scrap metal to meet the urgent wartime needs of steel mills," and added:

"The responsibility for persuading our people to put their surplus funds in the safest investment in the world lies largely with the newspapers."

U. S. And Brazil Sign New Steel Credit Pacts

Agreements were signed at Rio de Janeiro on March 18 by representatives of Brazil and the United States providing for additional credits of $34,000,000 for expediting Brazilian iron ore and steel production.

Warren Lee Pierson, President of the Export-Import Bank, signed for the United States, and Arthur de Souza Costa, Brazilian Finance Minister, for his country.

In reporting this action, Associated Press advices from Rio de Janeiro, said:

"The first provides an additional $20,000,000 credit from the United States Export-Import Bank for equipment and construction at Brazil's national steel plant at Volta Redonda. In September, 1940, the United States had granted a $25,000,000 credit in connection with the basic Brazilian steel agreement.

"The second agreement formalized in a contract the accord for development of Itabira and Vale do Rio Doce enterprises reached at Washington last year by Mr. Souza Costa and the United States and British governments.

"Itabira is the site of some of the world's finest iron ore. Vale do Rio Doce enterprises provide for the development and transportation of the Itabira ore seaward.

"Under the Vale do Rio Doce agreement the United States granted Brazil $14,000,000 credit to purchase equipment for the improvement and enlargement of the facilities of Vitoria & Minas Railway and the Itabira mine.

"The British and Brazilian governments agreed to buy out the stockholders, and the railway and mine became Brazilian government-owned.

"Under the contract the term of maturity of the $14,000,000 note, originally 20 years, was extended to 25 years."

The signing a year ago of Lend-Lease compacts between the United States and Brazil, involving an arrangement for developing Brazil's strategic materials and natural resources and the extension of a credit up to $100,000,000 for financing dollar expenditures incident to Brazil's productive resources program, was referred to in these columns March 12, 1942, page 1064.

Army Reports To Cotton Industry At N. Y. Forum

"The Army Reports to the Cotton Industry" was the subject of the second National Cotton Conference-Forum held under the auspices of the New York Cotton Exchange at the Biltmore Hotel on March 8.

Like the first forum, the important part played by cotton in the war effort was discussed by a panel of distinguished representatives of the War Department and the United States Army. Col. Robert T. Stevens, Chief of the Textile and Clothing Branch, Procurement Division of the Quartermaster General's Office, spoke on the place of cotton in relation to the Army and gave some indications of future Army needs.

Col. Stevens was followed by Maurice Hirsch, Chief of the Settlement Division, War Department, Price Adjustment Board, who took up important questions involved in contract renegotiation. Col. A. Robert Ginsburgh, Aide to the Under-Secretary of War, Robert P. Patterson, outlined war needs and patterns.

Robert J. Murray, President of the Cotton Exchange, opened the forum and reiterated the idea behind these national industry-wide meetings. He again emphasized that they are sponsored by the New York Cotton Exchange in the firm conviction that they are providing a much needed sounding board for the entire industry. Mr. Murray further stated:

"The cotton industry is a tremendous part of our great civilization and the New York Cotton Exchange is an essential part of the vast cotton industry. History records that all civilizations that did not have the use of cotton at their command failed to attain any high degree of culture or achievement. The part played by American cotton assumes epic proportions in the ever forward march of this nation to greatness. The New York Cotton Exchange is justifiably proud of its essential part in bringing the cotton industry to its present high state of efficiency. For almost three-quarters of a century it has been the nerve center of the industry. It has grown from an association of brokers into an international institution. The problem of each succeeding decade seems to bring it renewed virility. It is through the mechanism of the Exchange that the free play of economic forces, upon which the great advances and power of our nation are based, have been accurately reflected and brought under control for the benefit of all through the collective activities of those engaged in producing, fabricating and distributing the fiber. These public forums for the exploration and discussion of the problems confronting the industry constitute a logical development of the long heritage of responsibility of the New York Cotton Exchange."

Col. Stevens, in his remarks, had the following to say in part:

"In pounds, in dollar value, and in diversity of military use, there is no basic raw material used by the Quartermaster Corps which ranks with cotton. In normal times, it is estimated that 12 to 13 million Americans, approximately 10% of the population of our country, are dependent directly or indirectly upon cotton. This starts with the cotton farmer, who is the man that actually provides us with this vital raw material, upon which we are so dependent. Then there are the ginners, the cotton merchants, the warehouse men, the shippers, those engaged in transportation of cotton, the spinners, the weavers, the finishers, the fabricators, the converters, the wholesalers, the retailers and many others who, in normal times, deal with cotton from the seed to the point where cotton products reach the hands of the ultimate consumer.

"In these normal times, the Armed Forces have constituted a relatively small factor in the over-all picture of cotton and its products. During that period, however, the Army has taken an active interest in cotton textiles. It has surveyed mills throughout the industry and tabulated their facilities for possible use on military fabrics in time of war. It has trained its own textile technicians and has sent numbers of Army officers through various textile schools. It has studied its own needs for cotton military fabrics. It has conducted extensive research and experimentation for many years. The Army had, in brief, laid a foundation in time of peace upon which it could build securely in time of war. . . .

"On repeated occasions, the Quartermaster General and other important officers of his organization have lauded the cooperation of the cotton textile industry. Thus far, every objective has been met. In some instances, objectives were not achieved as quickly as was desired and in other instances the use of substitutes became necessary. By and large, however, the performance of the cotton textile industry must be ranked in the forefront of American industrial achievement in this war.

"The production of the cotton textile industry during 1942 reached dizzy totals which were hitherto deemed impossible. For many years this industry had set itself the objective of building up a program involving the ultimate consumption of 10,000,000 bales of cotton in a single year. With normal annual consumption running at the rate of six to seven million bales per year, this was a commendable goal. This goal-post, however, was literally torn to bits in 1942 when the industry consumed approximately 11,500,000 bales—a figure which, for the first time in history, closely approximated the total of the year's cotton crop itself. This astonishing job of converting cotton into products vital to the armed forces and essential to civilian needs is all the more remarkable when one considers that it was accomplished by the smallest amount of machinery in place in many, many years. In 1926 there were nearly 38,000,000 spindles in place in the cotton textile industry.

"Owing to the vicissitudes of the '20s and '30s in cotton manufacturing spindles in place decreased steadily. However, vast improvement in machinery during that period, coupled with multiple shifts, made last year's record-breaking manufacturing job possible with only about 24,000,000 spindles in place. The cotton textile industry, finally turned loose and urged for the first time to really produce, demonstrated its actual productive capacity."

Col. Ginsburgh discussed "The Progress of the War—Its Pattern and Needs."

At the end of the business session provision was made for sending written questions to the participants in the forum.

Like the first Forum, this second National Cotton Conference-Forum of the New York Cotton Exchange brought out a large attendance, numbering many representatives of Government, cotton brokers, bankers, fabricators and economists.

The January form meeting was referred to in these columns of Feb. 4, page 500.

New Cotton Exch. Member

Robert J. Murray, President of the New York Cotton Exchange, announced on April 2 that John L. Goodbody of Goodbody & Co., New York, has been elected to membership in the Cotton Exchange. Mr. Goodbody is also a member of the Chicago Board of Trade and the New York Commodity Exchange.

Arnold Sworn In As Federal District Judge

Thurman Arnold was sworn in on March 17 as an Associate Justice of the U. S. Court of Appeals for the District of Columbia. Mr. Arnold, who was Assistant Attorney General in charge of the Justice Departments' Anti-Trust Division, succeeds Wiley B. Rutledge, new Associate Justice of the U. S. Supreme Court. President Roosevelt nominated Mr. Arnold on Feb. 11 and the Senate confirmed the appointment on March 9.

The President's nomination was referred to in our issue of Feb. 25, page 763.

Mr. Arnold was tendered a testimonial dinner in Washington on March 9 by his friends and associates of the Anti-Trust Division, which was attended by many officials in Government and business. In an address on that occasion, Mr. Arnold called for the preservation of "the Fifth Freedom—the right to produce—against the private seizure of industrial domination"—adding that "the paths to all the other freedoms will be kept clear and America will again become the land of undreamed-of opportunity." He warned against permitting the "industrial bureaucracy of domestic and international cartels to gain a position of control during the war" and in this way stifle opportunities for independent initiative.

Mr. Arnold's remarks follow, in part:

"The great struggle between economic forces which is going on behind our armies in the field is not a struggle for profits—it is a struggle for domination of industry after the war. That struggle comes from fear of the tremendous productive energy of the new world. We are on the verge of a new industrial age—the age of light metals and chemicals—which may bring a higher standard of living than the world has ever known before, better housing, better transportation, more abundant food. Against this opportunity stand the forces which seek to establish an industrial bureaucracy in control of the production of that new age—the domestic and international cartels. If the principles of the Sherman Act are kept alive, if we are vigilant in attacking that power to control production, case by case, whenever it shows its head, the consumer dollar will be bigger than it ever was before. Products of the farms producing to the utmost can be exchanged for the full production of industry."

Proclaims May 16 'I Am An American Day'

President Roosevelt on March 12 proclaimed May 16 as "I Am An American Day," under a custom established by Congress in 1940.

In his proclamation, the President urged that the day be set aside as a public occasion for the recognition of all our citizens who have attained their majority or who have been naturalized during the past year. Mr. Roosevelt also said that in the last year the country "has been strengthened through the voluntary association with us, by naturalization, of the many thousands of men and women from other lands and through our youth who, by coming of age, have attained full citizenship."

The President called upon "Federal, State and local officials and patriotic, civic and educational organizations to take part on or about May 16 in exercises designed to assist our citizens, both native-born and naturalized, to understand more fully the duties and opportunities of citizenship and its special responsibilities in a nation at war."

Factory Workers' Hours, Earnings Drop In Jan. But Are Above Jan., 1942, Labor Dept. Reports

With the 48-hour scheduled work week typical in war industries the average hours worked per week in all manufacturing was 44.2 in January which was 0.6% lower than in the preceding month but 5.8% higher than in January 1942, Secretary of Labor Frances Perkins reported on March 30. The seasonal decline in hours between December and January averages four times greater than occurred this year.

"In the non-durable goods industries working hours averaged 41.8 per week, 6.6% higher than in January, 1942, while in the durable goods industries the average actually worked was 45.9, about 5% more than a year before," stated Miss Perkins, who further said:

"Industries reporting averages of 46 hours or more actually worked are operating on a 48-hour schedule. Of the 16 industries reporting in the electrical machinery, other machinery, and transportation equipment groups, 12 show average hours in excess of 46 and 2 of the remaining 4 industries are within 20 minutes of that mark. In the engines and turbines, machine tools, and textile machinery industries the hours averaged 50 or more.

"Among the 52 industries shown in the non-durable goods industries only 5 reported 46 hours or more per week—butter, flour, explosives, cottonseed oil, and professional and scientific instruments—while 13 showed hours of work under 40. Most of these latter were in tobacco and apparel industries.

"Of the 13 non-manufacturing industries for which man-hour information is available, the longest work week, 49.3 hours, is reported by street railways and busses, an increase of 5.8% over the year. Most of the other industries reported between 40 and 45 hours. In anthracite, reflecting part time during the pay period because of the strike, 30.9 hours were shown, a decline of 14.0% from December but 14.2% higher than in January, 1942. In bituminous coal mining the average hours per week was 34.8% less than in December but a gain of about 10% over the year. The two coal mining industries measure time spent at the face of the coal rather than time after reporting for work at the mine. The hours worked in coal mines, therefore, cannot be compared with time worked in manufacturing industries. In many mines travel time to the face of the coal averages more than one hour a day, which is not counted as working time.

"Hourly earnings in January, including overtime premiums, and shift differentials averaged 101.5 cents in the durable goods industries, an increase of 14.0% over the year. The increase of 1.1% since December was probably caused largely by the payment of a premium for work on New Year's in firms that report a monthly or semi-monthly pay roll rather than a weekly pay roll. This probably accounts for the increase in iron and steel, for example, in which industry almost no rate changes were reported. In the non-durable goods industries earnings averaged 76.8 cents per hour, 0.6 cents higher than in December.

"All of the major non-manufacturing industry groups reported slightly higher hourly earnings in January as compared with December except hotels which showed a decline of 1.3%. Over the year interval, an increase in earnings of 14.9% was reported by dyeing and cleaning establishments; 12% in quarries; 11.2% in metal mines; and 10.1% in laundries.

"Weekly earnings averaged $40.58 in January in manufacturing as a whole, an advance of 0.9% since December and of 22.9% since January 1942. In the durable goods industries earnings of $46.59 per week were 0.9% above those of December and 21.2% above those of January, 1942. Weekly earnings in non-durable goods industries were about the same as in December, $32.10, 19.6% more than a year earlier."

Morgenthau Names Three As Counsel Aides

Secretary of the Treasury Morgenthau announced on March 23 the appointment of Thomas J. Lynch of Toledo, Ohio; Eugene F. Roth of New York City, and Ansel F. Luxford of St. Paul, Minn., as Assistants General Counsel in the Treasury Department. The Treasury announcement states:

"Mr. Lynch attended the University of Michigan School of Engineering and School of Law, receiving a degree of Doctor of Jurisprudence from the latter in 1925. He comes to the Treasury from the War Production Board, where he was an Assistant General Counsel. His government experience includes service in the Anti-Trust Division of the Department of Justice and in the Securities and Exchange Commission. From the time of his graduation from law school until he entered the Government service in 1934, Mr. Lynch was associated with the Toledo law firm of Marshall, Melhorn, Morlar & Martin.

"Mr. Roth is a graduate of Columbia University and of Columbia Law School, having graduated from the latter in 1926. Since graduation he has been engaged in the private practice of law in New York City, except for a period in 1934, when he served with the National Recovery Administration, and for the greater part of the past year, during which time he has been with the Special War Policies Unit of the Department of Justice.

"Mr. Luxford has been with the Treasury since 1935, except for a brief period in 1939 and 1940, when he was engaged in the private practice of the law in St. Paul. Mr. Luxford received his undergraduate training at the University of Iowa in Iowa City, Iowa; Creighton University, Omaha, Neb., and the Catholic University of America in Washington, D. C., receiving a degree of bachelor of science from the last-mentioned school. He also received a bachelor of laws degree from the law school of Catholic University, having graduated in 1935. He received a four-year scholarship at the Catholic University from the John K. Mullen of Denver Foundation."

First Cotton Forum Proceedings Issued

The New York Cotton Exchange has just released the transcript of the entire proceedings of its first National Cotton Conference-Forum held at the Biltmore Hotel, New York City, on Jan. 29. This pamphlet contains the addresses of Grover B. Hill, Assistant Secretary of Agriculture; Herman Cone, President of the American Cotton Manufacturers Association; J. P. Lipscomb of the Mississippi Farm Bureau Federation, and Robert F. Loree, Vice-President of the Guaranty Trust Co. of New York. In addition, there are 12 pages of questions and answers developed during the forum session. Copies of these pamphlets are available from the Exchange and through the offices of its members.

The conference speeches were referred to in our issue of Feb. 4, page 500.

Daily Average Crude Oil Production For Week Ended March 27, 1943 Decreased 7,400 Barrels

The American Petroleum Institutes estimates that the daily average gross crude oil production for the week ended March 27, 1943, was 3,896,250 barrels, a decline of 7,400 barrels from the preceding week. The current figure, however, was 76,400 barrels higher than the daily average during the corresponding period last year, but was 297,550 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of March, 1943. Daily output for the four weeks ended March 27, 1943, averaged 3,891,100 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,742,000 barrels of crude oil daily and produced 10,231,000 barrels of gasoline; 3,541,000 barrels of distillate fuel oil and 8,018,000 barrels of residual fuel oil during the week ended March 27, 1943, and had in storage at the end of that week 94,079,000 barrels of gasoline, 30,980,000 barrels of distillate fuels and 67,938,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P.A.W. Recommendations March	*State Allowables Beginning Mar. 1	—Actual Production— Week Ended Mar. 27 1943	Change from Previous Week	4 Weeks Ended Mar. 27 1943	Week Ended Mar. 28 1942
Oklahoma	390,700	390,700	†345,650	+ 3,200	339,400	387,350
Kansas	309,900	309,900	†308,900	— 6,500	302,600	238,900
Nebraska	2,800		†2,150	— 200	2,200	4,150
Panhandle Texas			88,600	----	88,600	89,200
North Texas			137,000	----	136,350	148,800
West Texas			218,100	----	218,050	233,200
East Central Texas			99,800	----	99,800	90,000
East Texas			323,400	----	323,400	368,200
Southwest Texas			173,450	+ 1,050	172,800	195,850
Coastal Texas			352,600	— 1,000	353,650	284,900
Total Texas	1,502,000	‡1,501,801	1,392,950	+ 50	1,392,650	1,410,150
North Louisiana			89,250	+ 300	89,200	81,100
Coastal Louisiana			250,600	----	250,600	253,800
Total Louisiana	349,800	370,300	339,850	+ 300	339,800	334,900
Arkansas	78,700	74,826	70,850	+ 50	71,150	76,750
Mississippi	50,000		†53,700	— 4,600	55,200	94,250
Illinois	262,300		228,200	— 1,300	236,900	317,550
Indiana	16,500		†15,950	+ 2,200	15,250	19,350
Eastern (not incl. Ill. & Ind.)	115,000		93,150	— 2,200	92,400	96,800
Michigan	63,700		56,400	+ 700	57,800	45,900
Wyoming	92,500		91,400	+ 1,350	88,950	91,000
Montana	23,400		17,800	----	17,800	21,400
Colorado	7,000		6,700	+ 150	6,750	5,600
New Mexico	105,800	105,800	92,400	----	93,450	92,800
Total East of Calif.	3,370,100		3,116,050	— 7,100	3,112,300	3,236,850
California	823,700	§823,700	780,200	— 300	778,800	583,000
Total United States	4,193,800		3,896,250	— 7,400	3,891,100	3,819,850

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in December, 1942, as follows: Oklahoma, 29,600; Kansas, 5,900; Texas, 107,400; Louisiana, 21,500; Arkansas, 2,700; Illinois, 10,200; Eastern (not including Illinois and Indiana), 12,600; Michigan, 100; Wyoming, 2,500; Montana, 400; New Mexico, 5,700; California, 43,900.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. March 24.

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 14 days, the entire state was ordered shutdown for 11 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 11 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED MARCH 27, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,722	70.5	4,624	40,715	14,127	10,087
Appalachian	177	84.8	158	89.3	429	2,497	881	447
Ind., Ill., Ky.	811	85.0	715	88.2	2,190	20,786	3,184	2,394
Okla., Kansas, Mo.	416	80.1	340	81.7	1,012	7,314	1,665	1,351
Rocky Mountain	147	48.0	85	57.8	256	2,074	354	532
California	817	89.9	722	88.4	1,720	20,693	10,769	53,127
Tot. U. S. B. of M. basis March 27, 1943	4,812	86.2	3,742	77.8	10,231	†94,079	30,980	67,938
Tot. U. S. B. of M. basis March 20, 1943	4,812	86.2	3,618	75.2	10,261	94,159	31,724	68,178
U. S. Bur. of Mines basis March 28, 1942			3,633		11,676	107,162	30,659	82,517

*At the request of the Petroleum Administration for War. †Finished, 83,864,000 barrels; unfinished, 10,215,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 3,541,000 barrels of gas oil and distillate fuel oil and 8,018,000 barrels of residual fuel oil produced in the week ended March 27, 1943, which compares with 3,822,000 barrels and 7,312,000 barrels, respectively, in the preceding week, and 3,661,000 barrels and 6,344,000 barrels, respectively, in the week ended March 28, 1942.

Wholesale Commodity Index Rises To New High During Week Ended Mar. 27, Labor Dept Reports

The U. S. Department of Labor announced on April 1 that the Bureau of Labor Statistics' comprehensive index of prices in primary markets rose 0.3% to a new high during the week ended March 27 as a result of a marked increase in prices for farm products. At 103.3% of the 1926 average the all-commodity index was at the highest level since late in 1925.

The Department's announcement further stated:

"**Farm Products and Foods:** Following the decline of the preceding week, average prices of farm products in primary markets rose 1.5% during the week ended March 27 to the highest level since October, 1920. Sharp advances in prices for grains, livestock, eggs, fruits, and vegetables contributed in large measure to the rise. Quotations for oats were up 3.5%; wheat, 1.4%, and corn and rye, 0.3%. Hogs advanced about 2.5% during the week and steers increased approximately 1%. Seasonally higher prices were reported for apples and onions, and for potatoes in the Portland, Oregon, market. Hay and seeds also advanced.

"Food prices advanced 0.5% during the week. In addition to higher prices for fruits, vegetables, and eggs, price increases were reported for most ceereal products, including wheat flour, oatmeal and corn meal. Quotations for lemons and for potatoes in eastern markets declined during the week.

"**Industrial Commodities:** Except for increases of 4.8% for ergot and 2.9% for rosin and a decrease of 0.4% for turpentine, industrial commodity markets remained steady during the week."

The Department made the following notation:

During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past three weeks, for Feb. 27, 1943 and March 28, 1942 and the percentage changes from a week ago, a month ago and a year ago:

(1926=100)

Commodity groups—	3-27 1943	3-20 1943	3-13 1943	2-27 1943	3-28 1942	Percentage changes to March 27, 1943 from 3-20 1943	2-27 1943	3-28 1942
All commodities	*103.3	*103.0	*103.2	*102.7	97.4	+0.3	+0.6	+ 6.1
Farm products	124.2	122.4	123.5	121.2	103.4	+1.5	+2.5	+20.1
Foods	107.6	107.1	107.0	106.0	95.9	+0.5	+1.5	+12.2
Hides and leather products	118.4	118.4	118.4	118.4	117.6	0	0	+ 0.7
Textile products	96.8	96.8	96.8	96.8	95.9	0	0	+ 0.9
Fuel and lighting materials	80.8	80.8	80.7	80.7	78.1	0	+0.1	+ 3.5
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.7	0	0	+ 0.2
Building materials	110.4	110.4	110.4	110.0	110.6	0	+0.4	— 0.2
Chemicals and allied products	100.0	100.0	100.0	100.3	97.1	0	—0.3	+ 3.0
Housefurnishing goods	104.2	104.2	104.2	104.1	104.1	0	+0.1	+ 0.1
Miscellaneous commodities	91.2	91.2	91.2	90.9	89.7	0	+0.3	+ 1.7
Raw materials	112.5	111.5	112.1	110.6	98.3	+0.9	+1.7	+14.4
Semimanufactured articles	92.9	92.9	92.9	92.8	92.2	0	+0.1	+ 0.8
Manufactured products	*100.7	*100.6	*100.6	*100.5	97.9	+0.1	+0.2	+ 2.9
All commodities other than farm products	*98.8	*98.8	*98.8	*98.7	96.1	0	+0.1	+ 2.8
All commodities other than farm products and foods	*96.6	*96.6	*96.6	*96.5	95.3	0	+0.1	+ 1.4

*Preliminary.

Non-Ferrous Metals—Copper Sulphate Price Lowered—Lead Ingot Premium At Old Level

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of April 1, stated: "Ordinarily an item of little consequence in the market for non-ferrous metals, copper sulphate last week attracted attention because OPA lowered the price 15 points 'to save users of the product approximately $250,000 a year.' As a result of the price change, some producers are expected to have a real operating problem on their hands, as they are forced to use lower grades of raw material to make the sulphate and costs have risen. To meet the cost of producing primary lead in ingot form, OPA advanced the differential to the old level of $10 a ton. Metals Reserve Co. extended its purchase programs for domestic quicksilver, tungsten, and small lots of chrome, manganese, tin and antimony ores from Dec. 31, 1943, to Dec. 31, 1944. The right to terminate the programs for quicksilver and tungsten after Dec. 31, 1943, by effecting settlements is retained." The publication further went on to say, in part:

Copper

"Effective April 3, OPA set the ceiling price of copper sulphate at $5 per 100 pounds, a reduction of 15¢ from the quotation previously in effect on carload lots, f.o.b. New York. The new basis is established in Maximum Price Regulation No. 354. The figure named is described as the base price to which the seller applies the same cash and other discounts and practices with regard to freight payments as were applied during the 1942 selling season (the three-months' period ended March 31) on sales to the same purchaser.

"Chile Exploration Co. is expanding the mining and treatment facilities for copper production at Chuquicamata, Chile, to increase output substantially, according to the annual report to stockholders. This program, undertaken at the request of the Government, involves the expenditure of $5,000,000, to be advanced by the Government and to be retired as the copper production from the additional facilities is sold. Through arrangements with Metals Reserve Co., Cananea Consolidated, operating in Mexico, is expanding operations at a cost of $12,000,000.

"Domestic copper is moving into consumption on the basis of 12¢, Connecticut Valley. Foreign copper is being purchased by Metals Reserve Co. on the basis off 11.75¢, f.a.s. United States ports. In other words, the price situation remains unchanged.

Lead

"Metals Reserve released a fairly large tonnage of foreign lead to supplement April deliveries by domestic producers, indicating that consumption is probably increasing. Sales for the last week in common lead were about the same as in the week previous. Excepting a revision in ingots and linked ingots, the price situation in lead was unchanged.

"On April 3, the maximum prices of ingots and linked ingots of primary lead will be restored to the former level of $10 per ton above the maximum prices fixed for primary pig lead, OPA announced during the last week. This action is covered in Amendment No. 4 to Revised Price Schedule No. 60. On Jan. 20 of the current year, OPA lowered the differential on ingots to $5. Since that date OPA reports, it was found that the reduced price was insufficient to cover the cost of producing primary lead in ingot form.

Zinc

"April allocations of zinc came through as expected, and the tonnage to be distributed during the month will be about the same as in March. Quotations were unchanged. The trade attached no significance to the resignation of two officials from the Zinc Division of WPB other than the understandable move to obtain better positions elsewhere.

Aluminum

"OPA last week established maximum price level for pig aluminum at 1¢ a pound below ingots. Heretofore, maximum prices obtained only on ingots, which automatically became established at the 15¢ level under the General Maximum Price Regulation. Pig aluminum, OPA pointed out, was not sold by primary producers in the March, 1942, base period. Ceiling prices on pig aluminum range from 13¢ to 24¢ per pound, according to grade. The so-called standard grade, 99% aluminum, is quoted at 14¢ a pound by the leading interest.

Tin

"Production of tin at the smelter in Texas is increasing, and trade estimates now have it that output at present is at the rate of about 2,500 tons a month. The smelter is producing two grades, with most of the output consisting of 'Grade A' tin, which is the equivalent of Straits.

"Though production of tin-plate will be high during the second quarter, consumption of tin will be reduced in that industry as a result of increased activity of plants using the electrolytic plating process.

"The price of tin was unchanged last week. Straits quality tin for shipment was as follows:

	April	May	June
March 25	52.000	52.000	52.000
March 26	52.000	52.000	52.000
March 27	52.000	52.000	52.000
March 29	52.000	52.000	52.000
March 30	52.000	52.000	52.000
March 31	52.000	52.000	52.000

"Chinese tin, 99% grade, continued at 51.125¢ a pound.

Quicksilver

"Consumption of quicksilver in the United States continues at a high rate and operators are experiencing no difficulty in disposing of their production as far ahead as next July. Quotations in New York held at $196 to $198 per flask.

Silver

"Canada produced 1,605,991 ounces of silver during January, which contrasts with 1,633,864 ounces in December and 1,538,259 ounces in January last year, according to the Dominion Bureau of Statistics.

"During the last week the silver market in London remained inactive, witih the price steady at 23½d. an ounce troy. The New York Official and the Treasury prices were unchanged at 44¾¢ and 35¢, respectively."

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

WPB Steel Labor Group

The appointment of a labor advisory committee for the War Production Board's Steel Division was recently announced by Donald M. Nelson, WPB Chairman. The committee, designed to help expand steel production by promoting "further co-operation of labor and management in the steel industry," is headed by Philip Murray, President of the CIO and of the United Steel Workers of America.

The other six members, all officials of the United Steel Workers of America, are: David J. MacDonald, Secretary-Treasurer; Clinton S. Golden, Assistant to the President; Lee Pressman, General Counsel; Van A. Bittner, Assistant to the President; James J. Thomas, executive board member and director of the Homestead district; and Joseph Germano, executive board member and director of the Chicago-Gary district.

January Food Deliveries For Shipment To Allied Nations Total 447,000,000 Pounds

The Department of Agriculture reported on March 24 that 447,000,000 pounds of foodstuffs and other agricultural commodities were delivered by the Food Distribution Administration during January for shipment to the Allied nations. This, according to the Department, "was less than the average monthly deliveries for shipment in 1942."

The Department's announcement added:

"The report reflected the first substantial shipments to North Africa, the FDA having delivered about 26,000,000 pounds for this destination during the month, including wheat, sugar, flour, evaporated milk and soap.

"As in previous months, the commodities shipped in largest volume in January were pork and pork products, dairy products, eggs, and fats and oils. Larger deliveries also were made of seeds, soya products, granulated sugar and cornstarch.

"Due to a shift in shipping space requirements during the month, grain and cereal products dropped considerably under December deliveries. The space released made possible larger deliveries of energy-giving and heat-producing meats and other protein foods needed by the Russians for winter fighting."

The statistics presented in the Department's announcement follow:

ESTIMATED DELIVERIES FOR UNITED NATIONS SHIPMENT JANUARY, 1943, CALENDAR YEAR 1942, AND CUMULATIVE SINCE APRIL 29, 1941
(Stated in Pounds)

Commodity	January	1942	Cumulative
Dairy and Poultry Products—			
Butter	1,460,680	17,605,656	19,066,336
Cheese, American	4,672,670	297,297,280	393,023,710
Cheese, Processed	183,680	14,757,120	14,940,800
Chicken and Turkey, Canned	-------	6,778,624	6,825,664
Eggs, Dried	19,882,240	140,800,450	185,880,450
Eggs, Frozen	-------	6,807,360	57,368,640
Eggs, Shell	-------	1,682,240	40,158,720
Milk, Condensed	318,080	1,862,406	2,180,486
Milk, Dry Power Mixture A	-------	33,600	33,600
Milk, Dry Skim	8,695,680	135,170,080	173,574,880
Milk, Dry Whole	49,280	3,545,630	3,594,910
Milk, Evaporated	33,306,851	348,663,350	857,235,893
	68,569,161	975,003,796	1,753,884,089
Meats—			
Army Ration, Canned	2,700	8,464,780	9,584,510
Beef Meat Products			
Beef Extract	-------	224,129	224,129
Beef Bungs	-------	512,960	616,000
India Mess Beef	-------	443,520	443,520
Dehydrated Beef	-------	47,246	47,246
Dried Beef	-------	-------	10,994
Lamb and Mutton	28,123,200	4,327,680	32,450,880
Pork Meat Products			
Canned	51,488,784	706,917,069	919,936,733
Cured, Smoked and Frozen	44,154,880	342,644,509	568,855,389
Dehydrated Pork	-------	33,600	33,600
Frozen Loins	-------	68,578,854	68,578,854
Frozen Trimmings	1,379,840	2,947,840	4,327,680
Hog Casings	795,200	5,403,104	8,294,944
Livers and Kidneys	1,169,280	4,036,480	5,205,760
	127,113,884	1,144,581,771	1,618,610,239
Fish—			
Fish, Canned	15,405,512	157,782,674	276,956,186
Fish, Canned Flaked	-------	389,760	389,760
	15,405,512	158,172,434	277,345,946
Fats and Oils—			
Beef Suet	7,200	158,137	165,337
Lard	18,890,142	571,614,635	844,023,497
Linseed Oil, Inedible	-------	6,728	6,728
Oleo Oil	-------	6,168,960	6,713,280
Oleomargarine	682,780	31,842,058	33,644,839
Salad Oils, Edible	22,037,120	87,597,101	109,634,221
Shortening	3,622,080	3,926,615	7,548,695
Tallow, Edible	2,119,040	13,561,271	15,680,311
Rendered Pork Fat	143,360	3,093,440	3,236,800
	47,501,722	717,968,945	1,020,653,708
Fruits and Fruit Products—			
Apples, Dried	-------	7,356,885	16,596,160
Apples, Fresh	-------	12,102,720	21,224,000
Apple, Pomace, Dried	-------	557,760	1,980,160
Apricots, Canned (Syrup Pack)	28,275	-------	6,038,195
Apricots, Canned (Pie Pack)	-------	11,872,000	11,923,520
Apricots, Dried	3,125	4,727,300	17,833,525
Cherries, Canned Sour	-------	2,105,600	2,105,600
Currants	-------	8,125	8,125
Fruit, Canned (Misc.)	-------	9,660,896	9,660,896
Fruit, Dried (Misc.)	3,073,280	11,599,400	14,672,680
Grapefruit Segments, Canned	-------	-------	5,400,640
Grapefruit Oil	-------	26,614	26,614
Grapefruit Pulp	-------	19,877,760	9,204,160
Orange Pulp	-------		10,890,880
Lemon Juice, Concentrated	194,880	2,260,156	2,609,596
Lemon Oil	66,777	162,800	229,577
Orange Juice, Concentrated	1,164,800	16,007,036	19,185,596
Orange Juice, Unconcentrated	358,400	759,360	1,117,760
Orange Oil	-------	21,961	21,961
Peaches, Canned (Syrup Pack)	-------	-------	9,246,720
Peaches, Canned (Pie Pack)	-------	-------	29,326,080
Peaches, Dried	10,625	5,803,525	9,161,025
Pears, Canned (Syrup Pack)	-------	-------	14,857,920
Pears, Dried	-------	2,617,250	5,387,200
Prepared Pure Fruit Juices	-------	36,794	36,794
Prunes, Canned (Syrup Pack)	-------	-------	8,319,360
Prunes, Canned (Pie Pack)	-------	2,477,660	13,717,760
Prunes, Dried	13,518,200	70,153,440	192,876,120
Raisins, Dried	13,384,955	83,986,635	184,251,370
Raspberries, Processed	-------	1,780,800	1,780,800
Strawberries, Processed	-------	23,069,500	23,186,200
	31,803,317	289,031,977	642,876,994
Vegetables—			
Beans, Canned Green	34,710	1,867,806	2,009,705
Beans, Canned (with pork)	-------	11,306,970	76,383,450
Beans, Canned (without pork)	504,830	19,167,493	19,672,323
Beans, Dried	27,978,833	116,406,043	330,815,596
Beets, Canned	86,978	1,450,380	1,605,876
Carrots, Canned	35,590	2,037,743	2,229,053
Celery, Canned	8,175	59,452	67,627
Dehydrated Vegetables—			
Beets	288	7,232	7,520
Cabbage	-------	56,264	56,264
Carrots	7,072	41,622	48,694
Onions	-------	8,797	8,797
Potatoes	100,810	788,432	889,242
Turnips	2,520	3,210	5,730
Vegetables (Misc.)	-------	813,120	813,120
Onions	-------	16,600	16,600
Parsnips, Canned	5,542	22,713	28,255
Peas, Canned	29,440	5,196,408	6,578,808
Peas, Dried	11,154,480	42,067,890	56,386,110
Potatoes, Canned	1,626,240	19,846,579	29,812,160
Potatoes, White	-------	232,343	232,343
Sauerkraut, Canned	-------	35,122	35,122
Spinach, Canned	-------	1,026,931	1,077,556
Tomatoes, Canned	39,207	3,604,149	101,123,676
Tomato Paste, Canned	380,800	6,265,280	9,114,560
Tomato Puree, Canned	-------	2,812,294	2,812,294
Turnips, Canned	-------	6,304	6,304
	41,995,515	235,147,177	641,836,785
Grain and Cereal Products—			
Barley, Pearl	300	22,709,316	22,709,616
Barley, Roasted Cereal	-------	140,000	140,000
Biscuits (Hardbread)	20,550	5,156,080	7,226,230
Buckwheat Cereal	-------	16,800	16,800
Concentrated Cereal Foods	-------	835,740	835,740
Corn Grits	165,760	2,470,150	2,635,910
Cracked Wheat	2,271,360	7,098,551	9,369,911
Feeds—			
Barley	-------	8,167,657	8,167,657
Corn	-------	196,149,560	887,702,520
Linseed Cake	-------	416,701	416,701
Oats	-------	2,209,790	2,209,790
Wheat	7,840,000	61,608,090	80,993,008
Wheat, Mill Run	-------	607,400	607,400
Flour, Corn	-------	172,480	172,480
Flour, Rye	-------	14,132,516	14,132,516
Flour, Wheat	21,582,400	222,408,841	273,390,751
Macaroni	-------	16,000	70,000
Malt	22,522	28,710	51,232
Oat Cereal	2,103,360	23,180,639	65,075,359
Rice, Milled	13,148,280	43,399,780	56,548,060
Semolina	900,480	9,133,783	10,034,263
Wheat Cereal	-------	66,120	66,120
	48,055,012	620,124,704	1,442,572,064
Seeds—			
Agricultural	9,237,760	21,201,716	31,866,356
	9,257,760	21,201,716	31,866,356
Soya Products—			
Soy Beans	7,011,200	18,679,360	42,134,400
Soy Flour and Grits	6,431,040	24,785,600	42,571,200
Soya Sauce	-------	7,554	7,554
	13,442,240	43,472,514	84,713,154
Vitamins—			
Carotene (In oil solution)	-------	4,807	5,759
Cod Liver Oil	-------	152,320	152,320
Cyanaceta Mide	-------	4,384	8,826
Diacetone—Gulosonic Acid	874	13,321	15,075
Halibut Liver Oil	-------	672	672
Riboflavin	3	-------	3
Sorbose	1,098	50,434	60,772
Vitamin A, Fish Liver Oil	64,635	685,163	836,136
Vitamin B1	54	4,188	5,721
Vitamin B6	1	1	2
Vitamin C, Ascorbic Acid	2,205	4,285	11,200
Viosterol	23	-------	23
	68,893	919,575	1,096,509
Miscellaneous Foodstuffs—			
Acetic Acid	-------	40,005	40,005
Baking Powder	25,800	69,440	95,240
Baking Soda	-------	25,392	25,392
Calves Foot Jelly	-------	25,312	25,312
Caraway Oil	-------	246	246
Chicory Root	-------	495,040	943,040
Chocolate	-------	17,563	17,563
Cocoa	-------	224,000	224,000
Coffee	2,114,560	1,963,020	4,077,580
Cornstarch	11,576,320	210,663,104	363,686,464
Custard Powder	-------	31,360	31,360
Dextrose	-------	-------	1,571
Enzymes	9,005	8,534	43,299
Gelatin	-------	45,478	45,478
Granular Citric Acid	2,446	195,140	197,586
Hops	-------	37,244	37,244
Jams	1,923	62,132	64,055
Jellies	-------	44,800	44,800
Kola Nuts, Ground	-------	114,778	114,778
Marmalade, Orange	-------	239,661	239,661
Mustard Flour	-------	30,316	30,316
Mustard Seed	-------	368	368
Oil of Nutmeg	-------	403	403
Ovaltine	6,720	53,088	59,808
Pectin, Dry and Liquid	-------	2,511,936	2,765,056
Peanuts, Raw	-------	-------	5,214,720
Peppermint Oil	7,147	53,684	60,831
Pickles	183,052	1,188,680	1,371,732
Salt	-------	2,682,564	2,682,564
Sassafras Oil	-------	2,240	2,240
Soup, Canned	19,281	32,323	51,604
Soups, Dehydrated	-------	1,473,996	1,473,996
Soup, Dry Concentrate	-------	1,830,090	1,830,090
Soup Flakes, Dehydrated Tomato	-------	577,920	577,920
Spices—			
Allspice	-------	828	828
Bay Leaves	-------	21,665	21,665
Cinnamon	-------	1,230	1,230
Coriander	-------	1,260	1,260
Cumin	-------	1,380	1,380
Ginger	-------	274	274
Pepper	-------	17,663	17,663
Sugar, Corn	667,520	5,691,840	13,343,680
Sugar, Granulated	16,400,200	233,414,287	249,814,487
Sugar, Raw	-------	380,954,158	380,954,158
Synthetic Fruit Extract	-------	28,747	28,747
Syrup, Fountain	9,600	-------	9,600
Syrup, Golden	16,818	316,852	333,670
Tea	215,040	369,205	584,245
Walnuts, Shelled	-------	29,952	85,952
Wormseed Oil	-------	8,198	8,198
Vanilla Beans	-------	429	429
Vinegar	33,574	240,098	273,672
Yeast	6,810	11,712	18,522
	31,295,816	845,849,635	1,031,575,982
Non-foodstuffs—			
Candles	-------	129,500	129,500
Cotton, Baled Raw	-------	315,840,000	543,280,640
Cotton Linters	-------	2,358,720	17,205,440
Naval Stores—			
Dipentine	-------	240,622	240,622
Pinene	-------	1,001,880	1,001,880
Pine Oil	-------	3,245,577	3,332,937
Pine Tar Oil	-------	986,406	986,406
Pine Tar and Tarol	-------	8,889,533	9,366,653
Pitch	-------	209,695	780,895
Rosin, Liquid	-------	13,286,389	13,286,389
Rosin, Wood	206,080	46,329,870	53,045,390
Rosin, Gum	-------	62,532,830	106,257,630
Tarene	-------	257,735	1,742,855
Turpentine	-------	1,643,647	14,859,647
Tobacco	9,013,992	191,700,252	314,210,564
Soap (Laundry and Toilet)	3,180,408	4,421,899	7,602,307
	12,400,480	653,074,555	1,087,329,755
Grand Totals	446,889,312	5,704,548,799	9,634,361,581

Increase Coffee Ration

A more liberal coffee ration will be obtainable beginning March 22, Price Administrator Prentiss M. Brown announced on March 11. Because of an improvement during the last few weeks in the import situation, Mr. Brown said that stamp No. 26 in War Ration Book One will be good for one pound of coffee during the five weeks between March 22 and April 25. This compares with a ration of one pound for the six weeks ending March 21.

Mr. Brown said the increase amounted to 16%, and explained "coffee imports for February have exceeded estimates by more than 20%, adding substantial amounts to previously depleted January inventories of approximately 145,000,000 pounds."

He also pointed out that the Army and other Government agencies cooperated in bringing about the improved supply situation.

The OPA recently removed quota restrictions on sales of roasted coffee by roasters, according to Washington advices to the "Wall Street Journal," which said:

"The restrictions, originally scheduled to become effective Jan. 1 and since postponed, were intended to limit 1943 sales by the roasters to 75% of sales during the corresponding month of 1941.

"Short supplies and uneven distribution of green coffee, however, have operated to prevent some roasters from producing enough roasted coffee to supply promptly their regular wholesale and retail customers with amounts required by them, the OPA explained."

WPA Operations To Be Fully Liquidated May 1

The Work Projects Administration was reduced to operations in 14 States on April 1 and will go out of business entirely by May 1.

In March, all but final accounting work was halted in the States of Illinois, Michigan, Missouri, Ohio, Texas and West Virginia.

George H. Field, Deputy Administrator, said on March 31 that this month a similar halt will be called in the last 14 States, Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Massachusetts, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, South Carolina and Tennessee.

However, operations are continuing and even increasing in scale in Puerto Rico and the Virgin Islands, where, it is indicated, war has caused great unemployment.

President Roosevelt ordered on Dec. 4 that the affairs of the WPA be liquidated by Feb. 1 in many States and in other States as soon thereafter as feasible. This was reported in our issue of Dec. 17, 1942, page 2169.

February Construction Contracts $393,517,000

The valuation of total construction contracts awarded in the 37 Eastern States aggregated $393,517,000 during the short month of February, according to the F. W. Dodge Corp. on March 20. This compares with $350,661,000 in the previous month and $433,557,000 for February, 1942. Construction for public ownership represented 92% of the total for the month.

Non-residential building, which includes manufacturing buildings, had a total valuation of $187,242,000 in February. This is 22% above January and 10% above February a year ago. The valuation of contracts awarded for residential building, however, was below both the previous month and the same month last year by 16 and 44%, respectively.

Feb. Building Construction Dollar Volume In Urban Areas Declined 73% From Year Ago

The dollar volume of building construction started in urban areas of the United States during February was 73% less than the total for February 1942, Secretary of Labor Frances Perkins reported on April 3. "The decline in the value of contracts awarded for Federally financed building projects in February matched the drop in the value of permits issued to private builders," she said. "Valuations for all new non-residential buildings dropped 82%, as compared with decreases of 66% for new residential construction and 44% for additions and repairs. Secretary Perkins added:

"February was the twelfth consecutive month of declining valuations. The 26% drop between January and February, 1943, was due to a 38% reduction in the value of Federal contract awards. Permit valuations for other building construction rose about 7%, principally because of increased repairs and alterations. Valuations for all new non-residential buildings dropped 40% from January to February, while those for new residential construction decreased 21%."

Changes in permit valuations and value of Federal contracts awarded between January and February, 1943, and between February, 1942 and February, 1943 in all urban areas are summarized below:

	Percentage change from:					
	Jan. 1943 to Feb. 1943			Feb. 1942 to Feb. 1943		
Class of contsruction	Total	Other than Federal	Federal	Total	Other than Federal	Federal
All building construction	—26.1	+ 6.6	—37.9	—72.6	—72.0	—73.0
New residential	—20.9	+ 1.1	—30.6	—65.6	—75.9	—52.3
New non-residential	—40.4	—13.6	—43.3	—81.5	—84.8	—80.8
Additions, alterations, and repairs	+16.7	+27.4	+44.5	—43.7	—39.1	—71.7

From the Labor Department's announcement we also quote:

Permits were issued or contracts were awarded for 17,679 family dwelling units in urban areas during February, 1943. This was 28% less than the total in the previous month and 51% less than in February, 1942. Almost two-thirds of the total in February, or 11,564 units, were in Federal housing projects for war workers. This represented a drop of 39% from the previous month and 21% from February, 1942. The number of privately financed units in February, 1943, was approximately 4% greater than in the previous month, but 72% less than in February, 1942. Federal contracts were also awarded during February, 1943, for dormitories providing accommodations for 447 persons.

"The Bureau of Labor Statistics has revised its methods of summarizing reports on building permits. Heretofore, the figures covered a specified number of reporting cities, which varied from month to month. Beginning with the February comparisons the data will cover all building construction in all urban areas of the United States, which is defined to include all cities and towns with populations of 2,500 or more in 1940. The principal advantage of the change is that figures for every month will be comparable since estimates will be made for any cities which fail to report in a particular month. As in the past, the value of contracts awarded by the Federal Government for building construction will be combined with information obtained from the building-permit reports. However, because of the volume of Federal financed construction at the present time, the contract value of such construction will also be shown separately each month.

"Principal centers of various types of building construction for which permits were issued or contracts were awarded in February, 1943, except projects which have been excluded because of their confidential nature were: Hartford, Conn., 89 one-family dwellings to cost $275,000; Linden, N. J., 102 one-family dwellings to cost $260,000; Albany, N. Y., five factories to cost $420,000; Philadelphia, Pa., 129 one-family dwellings to cost $569,000; Detroit, Mich., 193 one-family dwellings to cost $947,000; Lansing, Mich., two institutions to cost $286,000; Wayne, Mich., 119 one-family dwellings to cost $444,000; Akron, Ohio, 210 one-family dwellings to cost $838,000; Columbus, Ohio, 32 one-family dwellings to cost $142,000 and two apartments providing 48 dwelling units to cost $120,000; Dayton, Ohio, 67 one-family dwellings to cost $268,000; Euclid, Ohio, 47 one-family dwellings to cost $227,000; Hastings, Neb., 109 one-family dwellings to cost $360,000 and 28 units in two-family dwellings to cost $95,000; Washington, D. C., 47 apartments providing 188 dwelling units to cost $356,000; Marietta, Ga., 80 units in two-family dwellings to cost $249,000; Arlington, Va., seven apartments providing 205 dwelling units to cost $617,000; Ft. Worth, Texas, 126 one-family dwellings to cost $301,475; Colton, Calif., 218 one-family dwellings to cost $614,000; Hawthorne, Calif., one factory to cost $328,000; Los Angeles, Calif., 136 one-family dwellings to cost $442,000; and 25 factories to cost $253,000; San Bernardino, Calif., 75 one-family dwellings to cost $251,000 San Diego, Calif., 83 one-family dwellings to cost $330,000 and one institution to cost $88,000; Portland, Ore., 32 one-family dwellings to cost $139,000 and three factories to cost $221,000; Seattle, Wash., 53 one-family dwellings to cost $224,000.

"In addition, contracts were awarded during February, 1943, for the following Federally financed housing projects containing the indicated number of housekeeping units: Derby, Conn., $116,000 for 50 units; Meriden, Conn., $164,000 for 152 units; Wallingford, Conn., $281,000 for 68 units; Windsor, Vt., $60,000 for 25 units; Brooklyn, N. Y., $4,890,000 for 1,388 units; Niagara Falls, N. Y., $4,132,000 for 2,300 units; Erie, Pa., $529,000 for 200 units; Meadville, Pa., $388,000 for 160 units; Philadelphia, Pa., $4,854,000 for 2,081 units; Evansville, Ind., $2,880,000 for 1,500 units; Detroit, Mich., $500,000 for 200 units; Muskegon Heights, Mich., $174,000 for 76 units; Canton, Ohio, $736,000 for 320 units; Cleveland, Ohio, $1,545,000 for 440 units; Dayton, Ohio, $358,000 for 200 units; Sidney, Neb., $466,000 for 175 units; Key West, Fla., $201,000 for 74 units; Arlington, Va., $242,000 for 100 units; Norfolk, Va., $819,000 for 468 units; Norman, Okla., $202,000 for 90 units; Orange, Texas, $197,000 for 192 units; San Marcus, Texas, $326,000 for 150 units: Ogden, Utah, $802,000 for 400 units; Oxhard, Calif., $370,000 for 180 units; Medford, Ore., $262,000 for 125 units, and Seattle, Wash., $1,023,000 for 450 units.

"Federal contracts were also awarded for dormitory accommodations for 150 persons at Meriden, Conn., to cost $154,000; for 50 persons at Shelton, Conn., to cost $50,000; for 175 persons at Newport, R. I., to cost $197,000, and for 72 persons at Ypsilanti, Mich., to cost $87,000."

Trading On New York Exchanges

The Securities and Exchange Commission made public April 3 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended March 20, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot-dealers) during the week ended March 20 (in round-lot transactions) totaled 2,233,188 shares, which amount was 16.92% of total transactions on the Exchange of 6,598,360 shares. This compares with member trading during the week ended March 13 of 2,658,750 shares or 15.59% of total trading of 8,522,690 shares. On the New York Curb Exchange, member trading during the week ended March 20 amounted to 402,770 shares, or 14.14% of the total volume of that Exchange of 1,420,465 shares; during the March 13 week trading for the account of Curb members of 515,408 shares was 14.03% of total trading of 1,837,242 shares.

The Commission made available the following data for the week March 20:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	945	680
1. Reports showing transactions as specialists	174	86
2. Reports showing other transactions initiated on the floor	190	43
3. Reports showing other transactions initiated off the floor	222	84
4. Reports showing no transactions	465	484

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED MARCH 20, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	165,580	
‡Other sales	6,432,780	
Total sales	6,598,360	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	598,550	
Short sales	89,960	
‡Other sales	512,110	
Total sales	602,070	9.10
2. Other transactions initiated on the floor—		
Total purchases	319,490	
Short sales	24,000	
‡Other sales	294,230	
Total sales	318,230	4.83
3. Other transactions initiated off the floor—		
Total purchases	188,315	
Short sales	10,000	
‡Other sales	196,533	
Total sales	206,533	2.99
4. Total—		
Total purchases	1,106,355	
Short sales	123,960	
‡Other sales	1,002,873	
Total sales	1,126,833	16.92

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED MARCH 20, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	12,230	
‡Other sales	1,408,235	
Total sales	1,420,465	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	117,120	
Short sales	7,550	
‡Other sales	129,215	
Total sales	136,765	8.94
2. Other transactions initiated on the floor—		
Total purchases	37,100	
Short sales	2,600	
‡Other sales	42,485	
Total sales	45,085	2.89
3. Other transactions initiated off the floor—		
Total purchases	16,470	
Short sales	700	
‡Other sales	48,530	
Total sales	49,230	2.31
4. Total—		
Total purchases	170,690	
Short sales	10,850	
‡Other sales	220,230	
Total sales	231,080	14.14
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	510	
§Customers' other sales	48,333	
Total purchases	48,843	
Total sales	37,036	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 3 a summary for the week ended March 27 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended March 27, 1943

	Total for Week
Odd-Lot Sales by Dealers: (Customers' purchases)	
Number of Orders	24,550
Number of Shares	716,859
Dollar Value	23,419,266
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	221
*Customers' other sales	24,252
Customers' total sales	24,473
Number of Shares:	
Customers' short sales	6,163
*Customers' other sales	675,552
Customers' total sales	681,715
Dollar value	19,637,253
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	240
†Other sales	164,060
Total sales	164,300
Round-Lot Purchases by Dealers—	
Number of shares	207,180

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Cotton Spinning For February, 1943

The Bureau of the Census announced on March 8 that according to preliminary figures, 23,559,374 cotton spinning spindles were in place in the United States on February 28, 1943, of which 22,859,160 were operated at some time during the month, compared with 22,889,954 for January, 22,887,072 for December, 22,948,248 for November, 23,012,046 for October, 22,956,224 for September, and 23,087,626 for February, 1942. The aggregate number of active spindle-hours reported for the month was 10,246,497,646. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during February, 1943, at 135.9% capacity. This percentage compares, on the same basis, with 138.8 for January, 127.9 for December, 133.4 for November, 136.9 for October, 134.9 for September and 136.3 for February, 1942. The average number of active spindle-hours per spindle in place for the month was 435.

Lumber Movement—Week Ended March 27, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 451 mills reporting to the "National Lumber Trade Barometer" exceeded production by 10.7% for the week ended March 27, 1943. In the same week new orders of these mills were 21.2% greater than production. Unfilled order files in the reporting mills amounted to 95% of stocks. For reporting softwood mills, unfilled orders are equivalent to 39 days' production at the current rate, and gross stocks are equivalent to 38 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 17.9%; orders by 23.4%.

Compared to the average corresponding week of 1935-39 production of reporting mills was 24.7% greater; shipments were 25.6% greater, and orders were 38.1%.

Revenue Freight Car Loadings During Week Ended Mar. 27, 1943 Amounted To 787,360 Cars

Loading of revenue freight for the week ended March 27, 1943, totaled 787,360 cars, the Association of American Railroads announced on April 1. This was a decrease below the corresponding week of 1942 of 20,926 cars, or 2.6%, and a decrease below the same week in 1941 of 6,443 cars, or 0.8%.

Loading of revenue freight for the week of March 27 increased 19,226 cars, or 2.5%, above the preceding week.

Miscellaneous freight loading totaled 373,803 cars, an increase of 6,191 cars above the preceding week, and an increase of 3,023 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 99,948 cars, an increase of 1,119 cars above the preceding week, but a decrease of 43,712 cars below the corresponding week in 1942.

Coal loading amounted to 179,702 cars, an increase of 6,090 cars above the preceding week, and an increase of 23,522 cars above the corresponding week in 1942.

Grain and grain products loading totaled 44,979 cars, an increase of 1,839 cars above the preceding week, and an increase of 11,247 cars above the corresponding week in 1942. In the western districts alone, grain and grain products loading for the week of March 27 totaled 31,285 cars, an increase of 1,536 cars above the preceding week and an increase of 10,810 cars above the corresponding week in 1942.

Livestock loading amounted to 13,740 cars, an increase of 1,223 cars above the preceding week, and an increase of 2,933 cars above the corresponding week in 1942. In the western districts alone, loading of livestock for the week of March 27 totaled 10,409 cars, an increase of 1,105 cars above the preceding week, and an increase of 2,646 cars above the corresponding week in 1942.

Forest products loading totaled 41,717 cars, an increase of 1,563 cars above the preceding week but a decrease of 4,202 cars below the corresponding week in 1942.

Ore loading amounted to 18,279 cars, an increase of 967 cars above the preceding week but a decrease of 15,089 cars below the corresponding week in 1942.

Coke loading amounted to 15,192 cars, an increase of 234 cars above the preceding week, and an increase of 1,352 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Pocahontas, Centralwestern and Southwestern, but all districts reported increases above the corresponding week in 1941, except the Eastern, Allegheny, Southern and Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
Week of March 6	748,890	770,485	742,617
Week of March 13	769,042	799,356	759,607
Week of March 20	768,134	796,654	769,984
Week of March 27	787,360	808,286	793,803
Total	9,659,915	10,156,202	9,386,985

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 27, 1943. During this period only 49 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED MARCH 27

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	260	557	527	1,524	1,376
Bangor & Aroostook	2,633	2,343	2,300	269	263
Boston & Maine	6,273	7,825	8,476	16,588	17,072
Chicago, Indianapolis & Louisville	1,514	1,470	1,561	2,232	2,062
Central Indiana	31	29	17	*60	58
Central Vermont	1,402	1,233	1,528	2,700	2,049
Delaware & Hudson	6,331	6,487	6,610	12,800	13,490
Delaware, Lackawanna & Western	7,568	8,161	9,822	11,106	9,268
Detroit & Mackinac	230	261	239	115	162
Detroit, Toledo & Ironton	1,890	2,172	3,218	1,659	1,401
Detroit & Toledo Shore Line	347	376	407	3,820	3,362
Erie	13,181	14,252	14,549	20,960	16,263
Grand Trunk Western	3,495	4,541	6,272	8,466	8,451
Lehigh & Hudson River	159	211	221	3,888	3,665
Lehigh & New England	2,140	1,425	2,098	1,762	1,819
Lehigh Valley	7,068	9,177	9,185	14,291	10,276
Maine Central	2,506	2,934	2,925	4,199	4,851
Monongahela	7,052	6,986	6,582	372	446
Montour	2,620	2,453	2,314	23	26
New York Central Lines	51,932	46,457	51,365	54,797	55,327
N. Y., N. H. & Hartford	10,460	12,430	11,815	21,579	19,996
New York, Ontario & Western	986	1,183	1,115	2,430	2,964
New York, Chicago & St. Louis	6,659	7,418	6,944	16,559	15,586
N. Y., Susquehanna & Western	371	518	441	2,640	1,567
Pittsburgh & Lake Erie	8,188	8,533	8,286	9,121	8,250
Pere Marquette	4,681	5,184	6,617	7,622	6,281
Pittsburg & Shawmut	832	571	691	28	59
Pittsburg, Shawmut & North	340	475	368	294	277
Pittsburgh & West Virginia	709	993	1,338	3,962	2,733
Rutland	355	522	619	1,038	1,144
Wabash	5,660	5,688	6,883	12,978	10,718
Wheeling & Lake Erie	5,004	4,912	5,230	6,212	4,770
Total	162,877	167,777	180,563	246,094	226,032
Allegheny District—					
Akron, Canton & Youngstown	773	645	577	1,322	1,175
Baltimore & Ohio	41,572	41,273	40,418	28,904	27,301
Bessemer & Lake Erie	3,268	3,037	4,755	1,672	1,934
Buffalo Creek & Gauley	331	313	294	3	5
Cambria & Indiana	1,879	1,994	2,002	10	12
Central R. R. of New Jersey	7,209	8,334	7,892	21,276	20,177
Cornwall	590	489	647	71	81
Cumberland & Pennsylvania	302	327	348	12	20
Ligonier Valley	137	149	158	41	45
Long Island	1,090	931	758	4,225	3,644
Penn-Reading Seashore Lines	1,667	1,803	1,454	3,126	2,676
Pennsylvania System	78,754	81,588	79,810	63,900	60,541
Reading Co.	15,327	15,714	17,118	30,911	29,495
Union (Pittsburgh)	21,578	21,509	20,109	4,847	3,988
Western Maryland	4,259	4,179	4,280	15,411	12,645
Total	178,736	182,285	180,620	175,731	163,739
Pocahontas District—					
Chesapeake & Ohio	29,809	28,476	27,754	12,908	13,670
Norfolk & Western	22,721	23,139	23,656	7,394	6,895
Virginian	4,904	4,491	5,150	2,287	2,265
Total	57,434	56,106	56,560	22,589	22,830
Southern District—					
Alabama, Tennessee & Northern	298	357	345	379	367
Atl. & W. P.—W. R. R. of Ala.	752	943	874	2,771	2,259
Atlanta, Birmingham & Coast	680	581	730	1,716	1,257
Atlantic Coast Line	15,401	13,440	12,189	11,570	9,804
Central of Georgia	3,883	4,338	4,623	5,006	4,270
Charleston & Western Carolina	376	389	450	1,817	1,975
Clinchfield	1,648	1,762	1,629	3,320	2,917
Columbus & Greenville	327	307	258	281	244
Durham & Southern	118	187	185	427	603
Florida East Coast	2,650	2,703	1,231	1,649	1,120
Gainesville Midland	38	44	35	146	122
Georgia	1,349	1,369	971	2,820	2,426
Georgia & Florida	370	394	423	940	611
Gulf, Mobile & Ohio	3,471	4,298	3,979	5,591	3,284
Illinois Central System	26,268	27,758	26,781	17,679	15,005
Louisville & Nashville	25,231	24,847	25,615	11,315	9,482
Macon, Dublin & Savannah	155	200	158	1,029	758
Mississippi Central	220	147	195	544	537
Nashville, Chattanooga & St. L.	3,135	3,411	3,631	5,048	3,840
Norfolk Southern	1,223	1,276	1,219	1,523	1,566
Piedmont Northern	335	464	469	1,357	1,268
Richmond, Fred. & Potomac	354	499	440	11,765	10,219
Seaboard Air Line	10,325	10,924	10,421	9,578	7,194
Southern System	22,059	24,500	25,439	23,610	22,155
Tennessee Central	612	732	511	858	858
Winston-Salem Southbound	108	125	152	1,152	993
Total	121,386	125,995	122,950	123,891	105,134
Northwestern District—					
Chicago & North Western	14,338	18,439	16,488	13,285	12,447
Chicago Great Western	2,373	2,616	2,613	3,323	2,946
Chicago, Milw., St. P. & Pac.	19,782	20,007	21,172	11,196	8,973
Chicago, St. Paul, Minn. & Omaha	3,146	3,350	3,586	4,423	3,801
Duluth, Missabe & Iron Range	1,153	8,758	840	264	362
Duluth, South Shore & Atlantic	804	705	528	737	611
Elgin, Joliet & Eastern	9,182	9,814	9,914	11,775	10,414
Ft. Dodge, Des Moines & South	378	443	465	110	154
Great Northern	11,574	14,211	10,806	5,495	4,509
Green Bay & Western	435	466	504	919	820
Lake Superior & Ishpeming	198	2,178	213	58	89
Minneapolis & St. Louis	1,936	1,769	1,777	2,628	2,192
Minn., St. Paul & S. S. M.	4,427	5,388	5,064	3,089	3,532
Northern Pacific	9,350	9,252	9,430	5,209	4,349
Spokane International	*91	171	105	*539	309
Spokane, Portland & Seattle	2,062	2,601	2,375	3,020	2,650
Total	61,229	100,168	85,880	66,070	58,158
Central Western District—					
Atch., Top. & Santa Fe System	21,291	21,639	19,294	11,898	8,906
Alton	2,988	3,501	3,762	4,299	3,866
Bingham & Garfield	683	577	656	100	132
Chicago, Burlington & Quincy	19,042	15,171	18,334	12,949	10,151
Chicago & Illinois Midland	3,206	2,831	2,699	851	804
Chicago, Rock Island & Pacific	12,243	11,206	12,066	13,866	11,489
Chicago & Eastern Illinois	2,377	2,450	3,390	5,408	2,951
Colorado & Southern	770	907	755	2,153	1,654
Denver & Rio Grande Western	3,365	2,530	2,763	6,048	4,201
Denver & Salt Lake	749	349	614	14	19
Fort Worth & Denver City	1,100	958	856	1,982	1,097
Illinois Terminal	1,968	2,218	1,946	1,687	1,751
Missouri-Illinois	960	1,261	923	500	582
Nevada Northern	2,108	2,003	1,943	109	151
North Western Pacific	992	1,117	786	705	457
Peoria & Pekin Union	25	22	10	0	C
Southern Pacific (Pacific)	27,270	27,095	25,578	13,319	9,866
Toledo, Peoria & Western	210	252	452	1,899	824
Union Pacific System	13,898	14,815	15,360	14,711	10,931
Utah	595	542	448	3	5
Western Pacific	1,850	1,662	1,673	3,624	3,012
Total	117,690	113,106	114,308	96,125	72,849
Southwestern District—					
Burlington-Rock Island	877	611	144	214	226
Gulf Coast Lines	5,097	4,580	3,082	2,341	2,936
International-Great Northern	2,095	2,119	1,859	3,786	2,689
Kansas, Oklahoma & Gulf	216	321	187	323	843
Kansas City Southern	4,472	4,306	2,255	2,961	2,897
Louisiana & Arkansas	2,935	3,106	2,136	2,260	1,996
Litchfield & Madison	310	391	407	1,146	1,043
Midland Valley	673	424	527	244	245
Missouri & Arkansas	115	268	175	554	396
Missouri-Kansas-Texas Lines	5,837	5,209	4,135	6,416	4,076
Missouri Pacific	16,623	15,633	15,930	16,717	14,977
Quanah Acme & Pacific	88	144	109	327	170
St. Louis-San Francisco	8,855	8,138	8,165	8,876	7,251
St. Louis Southwestern	2,939	3,440	2,620	5,405	5,201
Texas & New Orleans	12,803	9,649	7,344	5,886	4,636
Texas & Pacific	3,939	4,367	3,740	7,015	5,876
Wichita Falls & Southern	108	130	158	30	42
Weatherford M. W. & N. W.	26	13	9	20	22
Total	68,008	62,849	52,922	64,521	55,522

Note—Previous year's figures revised. *Previous week's figure.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
Jan. 2	126,844	97,386	379,573	62	84
Jan. 9	134,982	129,365	381,713	82	82
Jan. 16	157,251	137,055	397,437	88	85
Jan. 23	143,028	140,849	398,594	88	86
Jan. 30	152,358	136,645	413,084	88	86
Feb. 6	169,417	140,836	439,304	89	87
Feb. 13	148,687	137,784	446,981	87	87
Feb. 20	141,435	142,932	445,982	91	88
Feb. 27	156,628	147,085	454,308	94	88
Mar. 6	175,178	147,830	480,802	93	89
Mar. 13	166,885	146,062	498,927	93	89
Mar. 20	155,116	149,096	504,414	92	90
Mar. 27	139,911	150,754	488,197	95	90

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

From Washington

(Continued from first page)

that only a small percentage of the people read the editorial page and that he and his fellow New Dealers knew how to blanket the front page with their sputterings and rantings.

These innovating newspapers of which I have spoken have come to the conclusion that they must create a new field to compete with the radio. There are commentators at most any time of the day or night to give us the spot news highlights such as the progress of the contending armies and navies and the fact that Ickes has blasted Jeffers, or some of Prentiss Brown's subordinates have blasted him, or the statement by Donald Nelson's publicity man that from now on he intends to be a strong man.

These editors feel that this daily routine should be better left to the radio, or insofar as they are concerned, to the press services. They are pressing their own staff men to get down behind the stories and give the readers an intepretative analysis of what is really going on. In short, they are moving more into the weekly news magazine field.

Insofar as these editors are concerned, they are doubtless motivated solely by the desire to make their papers more readable. But the movement, if it spreads out to any extent over the American press, will have more to do with decentralizing government, with getting it back to the States, to the extent that is possible, than anything of which I can think at the time. The bureaucrats will quit making statements when they cease to be looked upon as front-page headlines; there won't be the daily backsprings over what is to happen to married men and those over 45 in the draft; there will be nothing to gain in bureaucratic bickering if it isn't to be reflected in the headlines. There will be more real news out of Washington and less bunk.

I can remember several years ago when we Washington correspondents were quite disgusted over the lack of prominence given to Washington news in all except the Eastern metropolitan newspapers. Surveys in those days showed the reader interest in Washington news was about 3%. For one, I complained about the stupidity of a people who were not more interested in the carryings on of their Government.

Things changed with the advent of the New Deal. Washington has been in everybody's consciousness since. But I am frank to say that we Washington correspondents have failed in our responsibility. We have been overwhelmed. We became easy prey to the handout mill. So I welcome the new trend.

Indicative of this trend is the encouragement being given by the press to the regional meetings of governors. They are being held in order that these State executives can get together with a view to working out their own problems after the war without benefit of Washington. They have a tremendous job ahead of them but their very willingness, their desire to do something is a healthy sign of the times.

* * *

The most amazing development in Washington bureaucracy recently is the attitude of the National Labor Relations Board. The President, the Senate Truman Committee and others of officialdom have been urging the rival AFL and CIO leaders to iron out their jurisdictional or representation disputes. They have been meeting with no signs of any success. But the general counsel for the Board has, in the meantime, announced that the Board wouldn't be bound by or influenced by any agreement they reached even if they did.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of bituminous coal and lignite in the week ended March 27 is estimated at 12,650,000 net tons, an increase of 290,000 tons, or 2.3%, over the preceding week. Output in the corresponding week of 1942 was 11,311,000 tons. For the current year to date, production of soft coal and lignite was 7% in excess of that for the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended March 27 was estimated at 1,341,000 tons, an increase of 120,000 tons (9.8%) over the preceding week. When compared with the output of the corresponding week of 1942, there was an increase of 183,000 tons, or 15.8%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended March 27 showed an increase of 4,700 tons when compared with the output for the week ended March 20. The quantity of coke from beehive ovens increased 5,700 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

In Net Tons (000 omitted)

Bituminous coal and lignite—	Week Ended Mar. 27 1943	Week Ended Mar. 20 1943	Week Ended Mar. 28 1942	January 1 to Date †Mar. 27 1943	January 1 to Date Mar. 28 1942	January 1 to Date Mar. 27 1937
Total, incl. mine fuel	12,650	12,360	11,311	146,690	137,104	129,642
Daily average	2,108	2,060	1,885	2,009	1,853	1,778
*Crude Petroleum— Coal equivalent of weekly output	6,241	6,253	6,119	76,362	80,002	64,700

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B. t. u. per barrel of oil and 13,100 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

Penn. anthracite—	Week Ended §Mar. 27 1943	Week Ended Mar. 20 1943	Week Ended Mar. 28 1942	Calendar Year to Date Mar. 27 1943	Calendar Year to Date Mar. 28 1942	Calendar Year to Date Mar. 30 1929
*Total, incl. colliery fuel	1,341,000	1,221,000	1,158,000	14,503,000	13,923,000	18,350,000
†Commercial production	1,287,000	1,172,000	¶1,112,000	13,922,000¶	13,366,000	17,029,000
Beehive coke—						
United States total	170,800	165,100	154,400	1,950,400	1,845,000	1,562,500
By-product coke—						
United States total	1,220,300	1,215,600	1,161,500	14,962,600	14,550,900	‡

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	Week Ended Mar. 20 1943	Week Ended Mar. 13 1943	Week Ended Mar. 21 1942	Week Ended Mar. 22 1941	Week Ended Mar. 20 1937	Mar. avge. ¶1923
Alabama	382	391	353	376	307	423
Alaska	6	6	6	4	2	**
Arkansas and Oklahoma	112	108	40	70	52	77
Colorado	164	180	159	141	153	195
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,583	1,525	1,200	1,385	1,553	1,684
Indiana	507	510	486	581	523	575
Iowa	53	58	59	84	122	122
Kansas and Missouri	175	189	136	190	203	144
Kentucky—Eastern	998	1,033	816	931	898	560
Kentucky—Western	309	308	218	255	282	215
Maryland	40	38	42	39	36	52
Michigan	10	6	7	12	18	32
Montana (bituminous and lignite)	79	91	67	59	72	68
New Mexico	44	43	33	29	41	53
North and South Dakota (lignite)	50	69	31	54	38	**34
Ohio	733	739	685	627	644	740
Pennsylvania (bituminous)	2,839	2,900	2,933	2,875	2,849	3,249
Tennessee	160	157	141	156	115	118
Texas (bituminous and lignite)	6	6	6	7	14	19
Utah	131	130	99	78	93	68
Virginia	436	458	342	375	333	230
Washington	27	37	38	41	38	74
*West Virginia—Southern	2,345*	2,453	2,144	2,149	2,079	1,172
†West Virginia—Northern	968	962	892	829	767	717
Wyoming	201	201	149	145	132	136
‡Other Western States	1	1	1	††	1	**7
Total bituminous and lignite	12,360	12,600	11,075	11,493	11,365	10,764
§Pennsylvania anthracite	1,221	1,292	1,107	1,146	1,334	2,040
Total all coal	13,581	13,892	12,182	12,639	12,699	12,804

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

National Fertilizer Association Price Index Higher Last Week

There was another upturn in wholesale commodity price levels last week led by a rise in farm products. The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public April 5, in the week ended April 3, 1943, rose to 136.5% of the 1935-1939 average, compared with 135.9% in the preceding week. At this level the index is 1.3% above the corresponding week a month ago when it registered 134.8%, and is 8.4% higher than at this time a year ago.

The advance in the all-commodity index was brought about chiefly by a marked rise in farm products. The farm product price index continued its upward trend as 12 items included in the group advanced and only 2 declined. Price advances for oranges and dried beans were sufficient to offset declines in several other commodities, with the result that the food price index advanced for the fifth consecutive week. The fuel index moved into higher ground due to an increase in the price of crude petroleum. Advancing quotations for cotton caused a rise in the textile index, taking it to a new peak level. Last week none of the group averages in the composite index declined.

During the week 16 price series included in the index advanced and 5 declined; in the preceding week there were 11 advances and 9 declines; in the second preceding week there were 11 declines and 9 advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week Apr. 3 1943	Preceding Week Mar. 27 1943	Month Ago Feb. 27 1943	Year Ago Apr. 4 1942
25.3	Foods	138.8	138.7	137.0	122.4
	Fats and Oils	147.7	148.0	148.1	136.8
	Cottonseed Oil	159.0	160.1	159.0	159.0
23.0	Farm Products	157.9	155.8	153.4	137.3
	Cotton	203.6	201.7	199.8	193.2
	Grains	149.2	140.6	137.5	115.9
	Livestock	152.8	152.4	149.8	131.8
17.3	Fuels	122.2	121.8	121.7	117.4
10.8	Miscellaneous commodities	130.4	130.4	129.7	128.1
8.2	Textiles	151.8	151.5	151.2	149.0
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.2	152.2	151.9	139.9
1.3	Chemicals and drugs	126.6	126.6	127.6	120.3
.3	Fertilizer materials	117.9	117.9	117.6	118.8
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	136.5	135.9	134.8	125.9

*Indexes on 1926-1928 base were April 3, 1943, 106.3; March 27, 105.9; April 4, 1942, 98.1.

Continental U. S. Construction $61,389,000 For Week; Private Work Gains

Civil engineering construction in continental United States totals $61,389,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 43% below the total for the corresponding 1942 week, and is 17% lower than a week ago as reported by "Engineering News-Record" on April 1, which added:

Private construction tops the week last year by 18%, but is 8% below last week. Public work is 51 and 20% lower, respectively, than a year ago and a week ago as both Federal construction and State and municipal construction are down.

The week's total brings 1943 construction to $900,430,000, an average of $69,264,000 for each of the thirteen weeks of the year. On the weekly average basis, 1943 volume is 54% under the $2,100,224,000 for the fourteen-week 1942 period. Private construction, $96,494,000, is 48% lower than last year, and public construction, $803,936,000, is down 54% when adjusted for the difference in the number of weeks.

Continental U. S. construction volumes for the 1942 week, last week, and this week are:

	Apr. 2, 1942	Mar. 25, 1943	Apr. 1, 1943
Total Construction	$107,136,000	$74,130,000	$61,389,000
Private Construction	12,224,000	15,705,000	14,452,000
Public Construction	94,912,000	58,425,000	46,937,000
State and Municipal	11,878,000	4,356,000	4,350,000
Federal	83,034,000	54,069,000	42,587,000

In the classified construction groups, gains over last week are in waterworks, sewerage, bridges, and commercial and public buildings. Increases over the 1942 week are in bridges and commercial buildings. Subtotals for the week in each class of construction are: waterworks, $1,920,000; sewerage, $999,000; bridges, $860,000; industrial buildings, $766,000; commercial buildings, $13,516,000; public buildings, $30,683,000; earthwork and drainage, $222,000; streets and roads, $4,204,000; and unclassified construction, $8,219,000.

New capital for construction purposes for the week totals $1,387,000. It is made up entirely of State and municipal bond sales. The week's financing brings 1943 volume for the thirteen weeks to $64,105,000. This compares with $2,414,379,000 reported for the fourteen-week period a year ago.

N. Y. Reserve Bank Index At Record In February

In February the seasonally adjusted index of production and trade computed at the Federal Reserve Bank of New York rose to a record level of 128% of estimated long-term trend, three points above the figure for January and 14 points above that for February, 1942, the Bank announced on March 26. Retail trade and primary distribution showed marked gains in February and productive activity held close to the record level of last December.

The bank further stated:

"In respect to retail trade, the February rise was to a large extent due to exceptionally active sales by department stores resulting from buying, particularly of clothing, in anticipation of rumored future rationing. The component index of distribution to consumer, which had risen six points between December and January, advanced eight points further in February.

"The index of output of producers' durable goods advanced three points between January and February, evidencing a further rise in the manufacturing of war goods and an increase in the daily rate of steel production. The producers' non-durable goods index advanced two points in February. Reflecting in part the adoption of a six-day week by most of the industry, the daily rate of bituminous coal production rose to the highest level in nearly sixteen years, and the daily consumption of cotton was higher in February than in the preceding month. Output of consumers' goods was maintained at approximately the January level during February."

INDEXES OF PRODUCTION AND TRADE

100=estimated long term trend

	1942 Feb.	1942 Dec.	1943 *Jan.	1943 *Feb.
Index of production and Trade	114	123	125	128
Production	120	136	135	136
Producers' goods—total	143	171	172	174
Producers' durable goods	158	207	206	209
Producers' nondurable goods	126	131	133	135
Consumers' goods—total	92	91	87	87
Consumers' durable goods	56	39	40	41
Consumers' nondurable goods	105	108	103	102
Durable goods—total	128	157	157	160
Nondurable goods—total	113	117	115	116
Primary distribution	118	142	144	150
Distribution to consumer	96	83	88	96
Miscellaneous services	115	147	147	149

*Indexes are preliminary.

Series are adjusted individually for estimated long term trend and seasonal variations: those reported in dollars are also adjusted for price changes.

Tabulations (from 1919, monthly) of the indexes given above are available upon request. Composition and weights are shown on a separate release, "Composition of Production and Trade Indexes." See description in "Journal of the American Statistical Association," June, 1938, pp. 341-8, and September, 1941, pp. 423-5. Reprints available upon request.

Cotton Planting 10% Over Allotments Allowed

Secretary of Agriculture Wickard announced on March 6 that farmers will be permitted to increase their 1943 allotments of cotton by 10%. This action was taken, the Secretary said, in an effort to increase the production of vegetable oils for food and protein feed for livestock. These products are made from cottonseed.

In reporting this, Associated Press advices further reported Secretary Wickard as saying:

"I think we should recognize that there are some areas in the cotton belt that are better adapted to the production of cotton than to other crops. The 10% increase should enable some of these areas to make a more complete contribution to our production program. Cottonseed meal is an excellent source of protein feed for livestock and cottonseed oil is one of the best edible oils."

Mr. Wickard stated that marketing quotas, which were approved by farmers voting in a referendum last December, would be retained. Under quotas, raisers would be free to sell all the cotton they produced on their new acreage allotments.

Mr. Wickard's action actually gave farmers permission to overplant their allotments by 10%. In consequence, they will receive benefit payments only on the allotments as originally established. The original national allotment was 27,300,000 acres.

Mr. Wickard said the 10% increase in no way relaxed provisions of the cotton program requiring farmers to plant at least 90% of their war crop goals to be eligible for cotton benefit payments.

1943 Great Lakes Iron Ore Movement To Set Record

A tentative quota of 95,000,000 gross tons, mine weight, for the 1943 Great Lakes iron ore movement was announced recently by the War Production Board. It is subject to revision upward or downward during the season as conditions dictate.

The quota is almost 3,000,000 tons more than the record 92,076,781 tons moved in the 1942 season and is 15,000,000 tons higher than the 1941 figure. Prior to 1941, the record, set in 1916, was 66,000,000 tons.

The 1943 figure was arrived at in conferences between producers, consumers, shippers and the Steel Division and the Stockpile and Transportation Division of WPB. The latter will prepare a directive to the Office of Defense Transportation to make the necessary ship space available.

While no undue difficulty is expected in meeting this year's goal because of the scheduled addition of 16 new carriers to the Great Lakes fleet, weather will be the controlling factor. An early spring in 1942 permitted the icebreakers to clean channels in March so that the actual ore movement got started downlake on March 25 and continued for a long 254-day season.

The outlook for such an early opening is not good this year, but the addition of 16 big ships to last year's 305-boat fleet will more than make up the difference. Half the new ships are expected to be in service early in the season and the others shortly after the midway mark is reached. These boats will carry 14,000 tons each and make four trips a month.

The size of the shipping task is shown by the fact that an average of 395,866 tons of ore must be loaded and shipped daily from the upper lake ports in an average season of 240 days to meet the quota, the WPB's announcement concluded.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Apr. 6	117.44	109.79	117.80	115.43	110.52	96.85	101.14	113.12	115.82
5	117.51	109.79	117.80	115.43	110.52	96.85	101.14	113.12	115.82
3	117.38	109.60	117.60	115.43	110.52	96.85	100.98	112.93	115.63
2	117.29	109.79	117.80	115.43	110.52	96.85	100.98	113.12	115.63
1	117.20	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
Mar. 31	117.11	109.60	117.80	115.43	110.52	96.54	100.81	113.12	115.63
30	117.07	109.60	117.80	115.43	110.52	96.38	100.65	113.12	115.63
29	116.99	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
27	116.96	109.60	117.80	115.43	110.70	96.23	100.65	113.12	115.63
26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
25	116.90	109.42	117.80	115.43	110.52	96.07	100.49	113.12	115.63
24	116.86	109.42	117.80	115.43	110.52	95.92	100.49	113.31	115.63
23	116.86	109.60	118.00	115.63	110.52	95.92	100.49	113.12	115.82
22	116.86	109.42	117.80	115.43	110.52	95.92	100.49	113.12	115.63
20	116.86	109.42	117.80	115.43	110.52	95.92	100.32	113.12	115.63
19	116.86	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
18	116.87	109.42	117.80	115.63	110.52	95.77	100.32	113.12	115.63
17	116.87	109.42	117.80	115.43	110.52	95.77	100.32	113.12	115.63
16	116.87	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
15	116.87	109.42	117.80	115.43	110.52	95.77	100.16	112.93	115.43
13	116.87	109.42	117.80	115.43	110.52	95.77	100.32	113.12	115.43
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.43
11	116.89	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.63
10	116.89	109.24	117.60	115.43	110.34	95.77	100.16	113.12	115.63
9	116.90	109.24	117.60	115.24	110.34	95.62	100.16	112.93	115.43
8	116.93	109.42	117.80	115.43	110.34	95.77	100.16	112.93	115.43
6	116.98	109.24	117.60	115.24	110.34	95.77	100.16	113.12	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.43
11	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.43
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.63
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
1 Exchange Closed									
High 1943	117.51	109.79	118.00	115.63	110.70	96.85	101.14	113.31	115.82
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Apr. 6, 1942	118.16	106.92	116.22	113.70	107.62	92.20	97.16	110.52	113.89
2 Years ago									
Apr. 5, 1941	117.48	106.04	116.80	112.37	106.21	91.34	96.85	109.97	112.19

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corpo-rate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Apr. 6	2.05	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86
5	2.04	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86
3	2.05	3.19	2.77	2.88	3.14	3.95	3.69	3.01	2.87
2	2.06	3.18	2.76	2.88	3.14	3.95	3.69	3.00	2.87
1	2.07	3.19	2.76	2.88	3.14	3.96	3.69	3.00	2.87
Mar. 31	2.07	3.19	2.76	2.88	3.14	3.97	3.70	3.00	2.87
30	2.07	3.19	2.76	2.88	3.14	3.98	3.71	3.00	2.87
29	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
27	2.07	3.19	2.76	2.88	3.13	3.99	3.71	3.00	2.87
26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
25	2.08	3.20	2.76	2.88	3.14	4.00	3.72	3.00	2.87
24	2.08	3.20	2.76	2.88	3.14	4.01	3.72	2.99	2.87
23	2.08	3.19	2.75	2.87	3.14	4.01	3.72	3.00	2.86
22	2.08	3.20	2.76	2.88	3.14	4.01	3.72	3.00	2.87
20	2.07	3.20	2.76	2.88	3.14	4.01	3.73	3.00	2.87
19	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
18	2.07	3.20	2.76	2.87	3.14	4.02	3.73	3.00	2.87
17	2.07	3.20	2.76	2.88	3.14	4.02	3.73	3.00	2.87
16	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
15	2.07	3.20	2.76	2.88	3.14	4.02	3.74	3.01	2.88
13	2.07	3.20	2.76	2.88	3.14	4.02	3.73	3.00	2.88
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88
11	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.87
10	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.00	2.87
9	2.07	3.21	2.77	2.89	3.15	4.03	3.74	3.01	2.88
8	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.01	2.88
6	2.07	3.21	2.77	2.89	3.15	4.02	3.74	3.00	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	2.04	3.18	2.75	2.87	3.13	3.95	3.68	2.99	2.86
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Apr. 6, 1942	1.96	3.34	2.84	2.97	3.30	4.26	3.93	3.14	2.96
2 Years ago									
Apr. 5, 1941	2.01	3.39	2.81	3.04	3.38	4.32	3.95	3.17	3.05

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

Moody's Common Stock Yields

Yearly average yields in the years 1929 to 1941 inclusive and monthly average yields for 1941 will be found on page 2218 of the June 11, 1942 issue of the "Chronicle."

MOODY'S WEIGHTED AVERAGE YIELD ON 200 COMMON STOCKS

Month—	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
March, 1942	7.7%	8.2%	8.5%	6.0%	5.0%	7.7%
April, 1942	7.7	8.3	8.9	6.1	5.3	7.8
May, 1942	6.7	7.8	8.2	5.7	4.9	6.9
June, 1942	6.4	7.8	8.4	5.6	4.8	6.6
July, 1942	6.1	7.7	8.2	5.5	4.7	6.4
August, 1942	6.0	7.5	8.0	5.1	4.7	6.3
September, 1942	5.8	7.3	7.9	4.9	4.5	6.1
October, 1942	5.5	7.0	7.2	5.0	4.4	5.8
November, 1942	5.5	8.0	7.1	5.2	4.5	5.9
December, 1942	5.3	8.6	7.2	5.0	4.2	5.7
January, 1943	5.0	7.9	6.8	4.5	4.1	5.4
February, 1943	4.7	7.3	6.3	4.4	4.1	5.1
March, 1943	4.5	6.8	6.2	4.0	3.9	4.8

Electric Output For Week Ended April 3, 1943 Shows 16.2% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended April 3, 1943, was approximately 3,889,858,000 kwh., compared with 3,348,608,000 kwh. in the corresponding week last year, an increase of 16.2%. The output for the week ended March 27, 1943, was 17.4% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— Apr. 3	Mar. 27	Mar. 20	Mar. 13
New England	10.0	7.5	8.2	7.7
Middle Atlantic	13.1	12.5	11.6	11.7
Central Industrial	13.1	14.8	14.7	16.2
West Central	11.0	14.2	14.6	16.2
Southern States	22.5	25.4	26.0	24.1
Rocky Mountain	12.3	12.2	12.5	13.1
Pacific Coast	24.4	26.3	28.3	25.8
Total United States	16.2	17.4	17.6	17.5

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,967	1,717,315
Jan 30	3,976,844	3,468,193	+14.7	2,994,047	1,588,853	1,728,203
Feb 6	3,960,242	3,474,638	+14.0	2,989,392	1,578,817	1,726,161
Feb 13	3,939,708	3,421,639	+15.1	2,976,478	1,545,459	1,718,304
Feb 20	3,948,749	3,423,589	+15.3	2,985,585	1,512,158	1,699,250
Feb 27	3,892,796	3,409,907	+14.2	2,993,253	1,519,679	1,706,719
Mar 6	3,946,630	3,392,121	+16.3	3,004,639	1,538,452	1,702,570
Mar 13	3,944,679	3,357,444	+17.5	2,983,591	1,537,747	1,687,229
Mar 20	3,946,836	3,357,032	+17.6	2,983,048	1,514,553	1,683,262
Mar 27	3,928,170	3,345,502	+17.4	2,975,407	1,480,208	1,679,589
Apr 3	3,889,858	3,348,608	+16.2	2,959,646	1,465,076	1,633,291

Steel Operations Higher—CMP Allotments In Full Force By April 15—Demand Heavy

"Once again the impossibility of attaining balanced production of military equipment or adhering to fixed war schedules is being demonstrated in the United States," states "The Iron Age" in its issue of today (April 8), which further goes on to say, in part: "As foreign campaigns unfold and strategy shifts, and as transportation problems vary, the changed requirements are reflected through wide sections of the metalworking industry. In some lines where peak production recently was implored and worker absenteeism flayed, curtailments and layoffs now are scheduled. Individuals and communities will suffer, temporarily at least, yet in the heat of battle today the lack of co-ordination and the sudden shifts are understandable.

"The production of raw metals continues undiminished, with demand far exceeding supply everywhere. Steel production remains at approximately 100% of capacity this week in spite of temporary dips and rises in certain individual districts.

"The steel picture is not entirely serene, however, for the problem of getting into the swing of the new Controlled Materials Plan has created confusion, so much so that some persons at Washington privately predict that phases of the plan will be postponed and the entire program will not come into full operation as quickly as expected. Consumers are complaining that they have not received allotments yet, or that allotments obtained are still blank checks, like the ratings granted so freely under the system being replaced. Furthermore, allotments received by arms makers have been unbalanced, with the result that some manufacturing programs will be governed by the smallest percentages received.

"Much thought at Washington is centering on possible ways to ease the tight situation prevailing in heavy steel bars. One aspect is the difficulty in obtaining raw steel for all bar mills. The semi-finished steel has been going into vital programs like plate output which in March apparently came close to the goal of 1,170,000 tons that had been set.

"After a lot of shouting and tumult, the WPB has removed restrictions on the production of various size concrete bars by billet mills. A reduction in second-quarter tin plate requirements, amounting to approximately 25,000 tons has been made, thus setting the new tentative figure at 650,900 tons. Can makers are appealing their second-quarter allotment which is said to have amounted to approximately 74% of what they asked for."

The American Iron and Steel Institute on April 5, announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 99.6% of capacity for the week beginning April 5, compared with 99.5% one week ago, 99.1% one month ago and 98.6% one year ago. This represents an increase of 0.1 point or 0.1% from the preceding week. The operating rate for the week beginning April 5 is equivalent to 1,724,700 tons of steel ingots and castings, compared to 1,723,000 tons one week ago, 1,716,100 tons one month ago, and 1,674,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on April 5 stated in part as follows: "Steel consumers whose orders already have been placed with mills will be protected from displacement of such orders in mill schedules by direction No. 1 under CMP regulation No. 1.

"This provides that orders promised for second quarter delivery shall not be displaced, in absence of specific directions to the contrary, by any order, including authorized CMP orders, received before April 15. In effect this declares a moratorium until April 15 on CMP allotment numbers which could be accepted only by displacing orders already promised for delivery.

"This is causing some confusion in delivery promises and nothing definite can be done before mid-month, when orders not certified by CMP will be superseded by those which are. Producers will not know exactly where they stand until CMP acts on orders not now certified. Some producers have received such a large number of certified orders for second quarter that their schedules probably will not be much dislocated, but at present they are unable to make definite delivery promises.

"War Production Board officials are preparing for third quarter CMP allotments. Claimant agencies must report by April 15 their needs for third quarter. The steel requirements committee must report total needs to the overall WPB requirements board by May 1 and allotments will be announced May 15. This follows the same plan as for second quarter.

"No hardship is being felt as to scrap supply but in many instances receipts are less than consumption and reserves are being used. This causes apprehension for the summer situation.

"Pig iron is currently in good supply and April allotments in some instances were more generous than in recent months. In some cases melters have reduced their requests, indicating a decline in their orders.

"A new plan for pricing warehouse steel is about to be announced by Office of Price Administration in amendment No. 14 to revised price schedule No. 49. It will set up four zones, from Maine to North Carolina, in which dollars and cents prices will be established. The plan later may be extended to cover the entire country. Provisions are made for prices on shipments between zoned and unzoned areas. Ceiling prices probably will not be materially altered as present prices in the zones have been taken into account in formulating schedules."

Increased Newspaper Prices Had Little Effect On Circulation

The American Newspaper Publishers Association disclosed on March 11 through the Associated Press the results of a survey of daily newspaper circulation rates in the nation, showing that 690 newspapers reported increases in one or more classifications in 1942, while the remaining 475 of the 1,165 replying said no increases had been made. The New York "Times" of March 12 reporting this, went on to say:

"Little or no loss in circulation as the result of increased prices was reported by 102 newspapers, while 171 reported gains ranging from less than 1 to as much as 38%.

"A total of 214 reported a loss of 5% or less, and 121 of this number said 100% recovery was achieved, while 92 made subsequent gains in circulation ranging from 1 to 20% of former total circulation, and 68 reported recoveries ranging from 1 to 90%.

"A further breakdown of the survey showed that 54 newspapers reported a loss of 6 to 9%, while of this number 25 reported 100% recovery, of which 14 made subsequent gains ranging from 1 to 15%, and 26 reported recoveries from 10 to 70%.

"From 21 newspapers came reports of a loss of 10 to 14%, while nine of these reported 100% recovery, of which four made subsequent gains ranging from 5 to 8%, and 11 reported recoveries of 10 to 95%.

"The A. N. P. A. said that many communities were experiencing abnormal conditions due to the influx of soldiers and war workers, which had affected newspaper circulation, while another factor was the discontinuance of many miles of motor route delivery, which could not be tied in with the price increase."

Moody's Daily Commodity Index

Tuesday, March 30	248.9
Wednesday, March 31	249.0
Thursday, April 1	249.8
Friday, April 2	249.5
Saturday, April 3	249.0
Monday, April 5	249.0
Tuesday, April 6	248.6
Two weeks ago, March 23	248.5
Month ago, March 6	249.0
Year ago, April 6	233.2
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

Wallace On Tour Of Latin America

Vice-President Henry A. Wallace, who is on a good-will tour of seven Latin-America republics, expressed the hope on March 23 that the peace after this war will bring about a Federal union which would have in its membership the entire world. Mr. Wallace made this statement in an address to the Bolivarian Society of Panama echoing the ideal of Gen. Simon Bolivar, the South American liberator, who laid down the guiding principles for the first Pan-American Congress in 1826. The Vice-President, who received the Society's medal for his efforts on behalf of Pan-Americanism, also declared that the freedom desired by Bolivar can and must be the one proclaimed by President Roosevelt in his four freedoms and that "this freedom must be universal, for there cannot be a world half free and half slave."

Mr. Wallace's official tour began in San Jose, Costa Rica, on March 18, he having traveled there by commercial airplane. During his three-day visit to Costa Rica, Mr. Wallace addressed a special session of Congress and attended the inauguration of the Inter-American Institute of Agricultural Sciences at Turrialba.

The Vice-President, who is accompanied by Laurence Duggan, State Department adviser on political relations, and Hector Lazo of the Board of Economic Warfare, which Mr. Wallace heads, traveled to Panama on March 21 attending a farm fair at David, Panama. He was the guest of the President of Panama, Ricardo Adolfo de La Guardia, on March 22.

Mr. Wallace arrived in Santiago, Chile, on March 26 for a ten-day stay, during which time he planned a tour of Chile's agricultural and mining regions. He began his first full day's round of activities on March 27 by paying an official call on President Juan Antonio Rios, reviewing a parade of Chile's armed forces, and addressing a joint session of Congress. On March 28 Mr. Wallace addressed a mass meeting of approximately 80,000 persons in the National Stadium, expressing his belief that the dream of "brotherhood among nations" was about to come true for the Americas but that each nation must bear its share of the heavy responsibility at present hanging over the hemisphere.

At Santiago, Chile, on March 31 the Vice-President told a press conference that after the war United States investments in Latin America should be under the control of "an international board."

On April 1 Mr. Wallace visited Valparaiso and concluded his visit to Chile on April 4. His good-will tour took him to Bolivia on April 5.

Later, the Vice-President will visit Peru and Ecuador, returning to the United States about April 25.

NY State Income Tax Amendments Explained

New York State taxpayers, now filing their State income tax returns for 1942, should experience no difficulty in getting the benefit of new laws comprising Governor Dewey's program to "humanize" the income tax, even though the State income tax blanks, printed in advance of enactment of these laws, contain no mention of the new exemption and deductions, it is pointed out by the Department of Taxation and Finance.

Referring to the recently enacted amendments, which apply to returns due April 15, Rollin Browne, President of the State Tax Commission, offered on March 13 the following suggestions to taxpayers in the preparation of their returns:

"1—If the taxpayer claims the new exemption for a dependent over 18 in college or school, he should indicate this on lines 8 and 9 of page 1 of the return and take the credit on line 12. A statement should be attached, explaining the dependency claim, giving the name of the school and the period of attendance. This exemption of $400 may be claimed for a dependent over 18 years of age who was in full time attendance at an approved school or college in 1942.

"2—If the taxpayer is entitled to the new deduction for life insurance premiums, this deduction may be entered on line 31d, Page 2, under "other deductions," and a complete explanation should be made either in Schedule 1 on Page 2 or in an attached statement. The statement should list life insurance premium payments, give the name of the insurance company, the type of policy and the name of the assured. The taxpayer is entitled to a deduction for life insurance premium payments only on policies on his own life up to a maximum limit of $150. The amount should represent net premiums, after deduction of any dividends.

"3—Deductions for medical expenses, which are allowable only under certain prescribed conditions, may also be entered on line 31d, Page 2, under "other deductions" and a complete explanation made either in Schedule 1 of the same page or in an attached statement. The explanation should include amounts expended, the name of the attending physician, the name and relationship of the person for whom the expenditures were made, any amounts received from an accident or health insurance policy, and the cost of such policy.

"The medical expense deduction may be taken only for amounts expended in excess of 5% of net income, computed without benefit of this deduction. The maximum deduction is $1,500 for a husband and wife who file a joint return, or for a head of family. The maximum deduction of any other individual is $750. No deduction may be taken for medical expenses compensated for by insurance or otherwise."

Taxpayers were reminded by Commissioner Browne that they may now pay by installment if the tax is more than $5. If your tax is $20 or more, you may pay in four equal quarterly installments; if more than $5 but less than $20, no installment payment may be for less than $5, except the last. Returns and payments are due April 15.

Three Steps To Aid Small Business In War

Three specific recommendations to help small business adjust to war conditions more effectively were made on March 17 by the Commerce and Industry Association of New York, Inc. The memorandum, released by the Association's Secretary, Thomas Jefferson Miley, was prepared by Wadsworth W. Mount, Manager of the Association's Industrial Bureau, and is based on the experience of the Bureau gained through its extensive efforts to help New York City businesses obtain war work and meet wartime problems.

These suggestions have been sent to the Washington officials directly concerned, and in his letter to them Mr. Miley said: "These recommendations are not designed to benefit New York alone, as the problem of preserving individual business organizations is nationwide in scope."

The suggestions are as follows:

"1. Unfreeze existing inventories in hands of all little or big business, now arbitrarily frozen by limitation orders, when such inventories cannot efficiently be taken for war production.

"2. Have Army, Navy and Maritime Commission's procurement offices post in their announcements to prospective bidders, the lowest prices, including the size of the procurement, at which a particular article had been bought by them on the last three procurements of that item, or nearest comparable item.

"3. The War Production Board in New York City publishes the 'War Production News,' in which is listed under one column 'Sub-Contractors Wanted' and in another column, 'Special Facilities Available'—all under code numbers—so that both the prime contractors and the sub-contractors have to take their time to get in touch with the War Production Board office in order to get in touch with each other. If the names and addresses of both parties were presented also, American business men could get together and do their own business without the intermediary costs in time and effort of clearing their information through the WPB."

In conclusion the memorandum states:

"The preservation of free private enterprise requires the preservation of a maximum number of existing small businesses throughout the war period. This can only be done if they are allowed to do business in normal, legal ways, with what materials and abilities are left to them after the war effort has taken its needs of manpower and materials out of the stream of small business production.

"These suggestions are based on the belief that it is more practical and easier to help existing businesses stay alive in normal ways, rather than to try to resuscitate them by Government programs designed to offset what appear to be needlessly damaging factors in other Government programs."

BEW Names Dr. Baruch To Brazilian Post

Dr. Herman B. Baruch has been placed in charge of the Brazilian office of the Board of Economic Warfare, it was announced on March 9.

Dr. Baruch, who is a brother of Bernard M. Baruch, head of the War Industries Board in the first World War, will take the place of Cresswell Micou who "will remain with the BEW in Brazil in another important administrative capacity."

The appointment of Dr. Baruch was said to have been made with a view to eliminating controversies that have arisen among the number of United States agencies in Brazil over the extent of activities there.

Dr. Baruch is a member of the firm of H. Hentz & Co., New York commodity brokers.

To Redeem Panama 6½s

The National City Bank of New York, as fiscal agent, is notifying holders of Municipality of Panama (Republic of Panama) external 25-year secured sinking fund 6½% gold bonds, due June 1, 1952, that it will redeem and pay on June 1, 1943, all of the outstanding bonds of such issue at a price equivalent to 101% of the principal amount thereof, together with unpaid accrued interest to the redemption date. All unpaid coupons from Dec. 1, 1936, to June 1, 1943, both inclusive, will be included in the payment.

The said bonds and the interest coupons should be presented at the principal office of The National City Bank of New York, as fiscal agent. Interest on the bonds drawn for redemption shall cease from and after the redemption date.

State Pay-Go Tax Plan Urged By NY Chamber

The pay-as-you-go plan for the payment of State income taxes was endorsed on March 12 by the Committee on Taxation of the Chamber of Commerce of the State of New York in an interim report approving the Mitchell Bill now pending at Albany. Copies of the report were sent to Governor Dewey and members of the Legislature. The committee, of which Charles B. Couchman is Chairman, pointed out in the report that the same reasons which make the pay-as-you-go system desirable for Federal income taxes apply with equal force to state taxes. The report said:

"Such a system will help the taxpayer to meet his obligations to the Government when due, will keep him out of debt, will increase his ability to balance his monthly expense budget and will bring more money into the Federal and State treasuries with less hardship to the taxpayer."

Other members of the Committee, in addition to the Chairman, were George H. Coppers, Peter Grimm, J. Wilbur Lewis and Edmond E. Lincoln. The report will come before the Chamber for approval of the membership at the next monthly meeting on April 1.

Non-Deferrable Job Reclassifications

With the War Manpower Commission's order designating certain activities and occupations as "non-deferrable" regardless of dependents effective April 1, the Bureau of Selective Service of the WMC will begin promptly to reclassify registrants in those categories, WMC Chairman Paul V. McNutt announced on March 31. Mr. McNutt emphasized, however, that this order affects only registrants of military age, and in no way changes the status of any registrant who is not in one or other of the activities and occupations that were specifically named in the WMC order issued on Feb. 2. He said:

"It is particularly desirable that there be no misunderstanding concerning the scope of this order. It is specific in defining the occupations and activities that are non-deferrable from military service regardless of dependency and only registrants in those categories are affected. If any registrant is in doubt as to whether or not he is included in its provisions, he should consult his Selective Service local board at once." The advices added:

"Under the WMC order, registrants in 35 specified occupations or engaged in any capacity in 19 manufacturing, eight wholesale and retail trades, and nine service activities were declared non-deferrable from military service. Such registrants were given until April 1, 1943, to find war jobs or to register with the United States Employment Service for war work.

"Registrants in these categories who have been unable to find war jobs by April 1, but who have registered with the USES for war work, will be given a 30-day period to make such transfer if they present evidence of such USES registration to their local boards. The 30-day period for transfer begins with the date when such evidence is presented to the local board.

"Instructions sent to local boards by Maj.-Gen. Lewis B. Hershey, Director of Selective Service, are that registrants in 'non-deferrable' activities are to be classified 'without consideration of their dependency status,' except that the following grounds may be accepted as reasonable excuses for temporary idleness or for being engaged in a 'non-deferrable' activity or occupation: (a) sickness of registrant or immediate family of registrant; (b) physical disqualification; (c) reasonable vacation; (d) compelling circumstances that would not permit the change of employment without undue hardship to the registrant or his dependents.

"General Hershey emphasized also that all cases must be 'considered with common sense' and that local boards and appeals agencies in considering the status of such registrants shall be governed by the general provisions of Selective Service Regulations as to procedure, notices, and appeals."

References to the "non-deferrable" job order were made in these columns of Feb. 4, page 489, and Feb. 11, page 579.

To Control Egg Storage

Secretary of Agriculture Wickard issued an order on March 23 requiring all shell eggs held in cold storage on May 31 to bet set aside for Government use at prices not in excess of OPA ceilings then in effect. The order provided also that no eggs may be stored after May 31 except for Government use.

This is learned from Associated Press accounts from Washing March 23, which also stated:

"Mr. Wickard announced, however, that the Government's Food Distribution Administration may allocate supplies of cold storage eggs for civilian use after May 31, should such action be necessary to assure 'a fair distribution among military, civilian and lend-lease requirements.'

"Today's action was made necessary, Mr. Wickard said, because of a heavy movement of eggs into cold storage, resulting in short supplies for civilian use in some cities. The fact that ceiling prices for eggs next fall and winter are higher than present prices was said to be responsible for the increase in cold storage stocks."

February Truck Freight Volume 12.8% Over 1942

Due chiefly to the fact there were fewer working days, the volume of freight transported by motor carriers in February showed a slight decrease of 0.2% under January, but held 12.8% over February, 1942, according to reports compiled and released on March 29 by the American Trucking Associations.

Comparable reports were received by ATA from 208 motor carriers in 42 States. The reporting carriers transported an aggregate of 1,371,984 tons in February, as against 1,374,282 tons in January, and 1,216,457 tons in February, 1942.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 164.58. The January index was 168.10.

Almost 90% of all tonnage transported in the month was transported by carriers of general freight. The volume in this category showed a very slight decline of 0.03% under January, but held 13.5% over February of last year.

Transporters of petroleum products, accounting for a little more than 5% of the total tonnage reported, showed a decrease of 0.6% under January, but increased 35.9% over February, 1942.

Haulers of iron and steel products reported approximately 1½% of the total tonnage. The volume of these commodities increased 4.3% over February, but decreased 11.6% under February of last year.

Approximately 3½% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building materials, cement and household goods. Tonnage in this class showed a decrease of 4.7% under January, and a decrease of 13.4% under February of last year.

Hurley To Represent FDR In Near East

President Roosevelt announced on March 23 his acceptance of the resignation of Brig. Gen. Patrick J. Hurley as Minister to New Zealand and the appointment of General Hurley as his personal representative in the Near and Middle East war theatres.

General Hurley, who was Secretary of War under President Hoover, has been serving in the New Zealand post since April 1, 1942. He had been named Minister in January, but first undertook a special mission for the U. S. Army in the Southwest Pacific area; this was noted in our issue of April 30, page 1712.

The President's letter to General Hurley follows:

"The Acting Secretary of State has referred to me your letter of March 4 offering your resignation as Minister to New Zealand in order for you to accept the new duties which I have assigned to you.

"In accepting your resignation as Minister to New Zealand, I wish you to know how very much I appreciate all that you have done in furthering the very happy relationships that exist between our people and the people of New Zealand."

General Hurley's letter of resignation was addressed to Secretary Hull as follows:

"The duties which I am assuming today under the direction of the President will make it impossible for me to return as Minister to New Zealand, at least for a great period of time.

"Owing to these circumstances it is with regret that I hereby tender my resignation as Minister to New Zealand, to be effective at your pleasure. In my service as Minister I enjoyed the most complete and helpful cooperation of yourself and all of the officers of your department.

"On leaving this post I cannot refrain from expressing to you the deep sentiments of fellowship, kinship and unity of ideals that I experienced among the officials and the people of New Zealand. As a people and as a Dominion New Zealand has never committed a crime.

"That Dominion has the fairest history of any of the English-speaking nations and I think of any nation in the world. In the century of its existence New Zealand always has endeavored to apply the Golden Rule to the solution of its problems. The record of New Zealand is one to which the English-speaking people all over the world may justly point with pride."

Less Fuel Oil For Power

The Offices of Price Administration, Petroleum Administration for War and WPB Office of War Utilities on March 20 announced a joint program for further reductions in use of fuel oil for electric power generation in the East Coast shortage area.

The program, which affects the 17 Eastern States and the District of Columbia, prohibits deliveries of oil for electric generation in cases where power produced at existing coal or hydro plants can be made available.

Officials stated that this action would save substantial quantities of industrial fuel oil by requiring conversion from fuel oil consuming facilities to facilities consuming other less critical fuels. While the program principally affects industrial concerns which generate their own electricity and small utilities which operate Diesel generating sets, it applies equally to all users of fuel oil for electric generation. The large utility systems in the Eastern shortage area already have eliminated most of their oil generation either by conversion of equipment to coal or through replacing their oil generation by interchanges of coal or hydro power from other utility systems under WPB coordination arrangements.

In the area covered by the order more than 900 industrial plants generate all or part of their electric power through the use of fuel oil. These plants have an installed capacity of over 900,000 kilowatts. In addition, 123 utilities in the same area have almost 700,000 kilowatts of plant capacity generating power through the use of fuel oil.

The OPA order in the form of Amendment No. 50 to Ration Order No. 11, specifically prohibits use of fuel oil after April 5, 1943, for the operation of electric power equipment having an aggregate capacity of 100 kilowatts or more.

A flexible rationing arrangement is provided when a consumer cannot switch entirely to use of an alternate source of power, but may do so partly. In these instances, it was stated, the fuel oil ration—which is issued on a three-months' basis—will be reduced to reflect partial use of other power. All consumers who switch partly or entirely to a new power source will be allowed minimum fuel oil ration for 10 days' full operation of their electric equipment in order to safeguard against any disruption of production due to emergencies.

The Petroleum Administration for War has in preparation a supplement to its Distribution Order No. 3 (Supplementary Order No. 1 to PDO—No. 3), which restricts deliveries of fuel oil for the generation of electricity unless the consumer certifies compliance with the new regulations of the Office of Price Administration.

The amendment became effective March 24.

All Buses "Frozen"

Joseph B. Eastman, Director of the Office of Defense Transportation, in an order issued on March 17, froze in present service every vehicle carrying nine or more persons in local passenger transportation in the United States, its Territories and possessions.

The order applies to all buses, street cars, trolley coaches, trucks converted for passenger use, ferryboats and other vessels except combat equipment of the armed forces.

The order requires all Federal agencies, including the Army, Navy and Maritime Commission, and war contractors furnishing transportation for their employees, to file with the ODT an inventory of their passenger-carrying equipment. For equipment in continental United States, the inventories must be filed by May 15. For the territories and possessions, the date is June 15.

In addition, the order provides that local passenger equipment cannot be bought, leased, requisitioned or used by these agencies and contractors without ODT approval.

An immediate effect of the order, ODT officials said, will be to stop a developing "black market" in school buses which was threatening to deprive children of transportation between their homes and school.

There are approximately 93,000 school buses in the United States, it was stated. Reports received from 15 States indicate losses already of from 200 to 500 buses a State. School authorities, petitioning for a freeze of such equipment, had informed the ODT that a mass exodus of school buses was in prospect for the end of the present school year, when about 30,000 school-bus contracts will expire.

ODT officials pointed out that the freeze order does not prohibit the sale of equipment as long as it is continued, not only in the same service, but in the same job it was performing at the time of the freeze.

The order permits an operator to take on additional service, such as using a school bus to transport war workers also, as long as he does not discontinue the service in which the equipment is frozen.

Simultaneously with the order, a general permit was issued by Mr. Eastman exempting the War, Navy, Interior and Treasury Departments from the inventory requirements of all boats not engaged in general passenger or home-to-work transportation. The exemption applies to such boats as those serving Ellis Island, lighthouse tenders and vessels in Coast Guard and customs service.

75th Anniversary Of Metropolitan Life Commemorated

"A Family of Thirty Million," embodying a history of the Metropolitan Life Insurance Company, has been written in celebration of the company's 75th year and was issued on the anniversary date, March 24. The history of the Metropolitan, according to the author, Dr. Louis I. Dublin, Third Vice-President and Statistician of the Company, "is particularly American, reflecting the national genius for enterprise, technical skill and good administration."

The book records the Metropolitan's entry into the field of Life insurance for the wage earner first through the Industrial Life business; its succeeding innovations in ordinary and group insurance; its introduction of special policies for persons who were formerly considered uninsurable; its progressive liberalizations of the policy contract; and its voluntary mutualization in 1915, which put the control of the Company into the hands of its policyholders. There is extensive discussion of its welfare program, its health literature distributed in millions of homes, its nursing service, its medical and statistical research, its housing ventures and farm rehabilitation work—all indicative of what can be done for the protection and service of its clients in the course of the regular operations of a business organization."

The book recites the social progress of a vast development following closely the development of the country and records the emergence of the small and struggling organization of 1868 into a great financial institution, whose 30,000,000 policyholders count its assets in terms of $6,000,000,000.

Besides commemorating a milestone in the history of the institution, this book is singularly appropriate at this time when our national attention is being focused on various plans for social security. It has attempted an appraisal of what the policyholders of one mutual company have done through Life insurance to provide financial security for themselves and their families. Their individual efforts are typical of the American tradition. The American people have achieved Life insurance security to a greater extent than any other nation, and have achieved it through their own initiative and through institutions of their own making.

The history stresses the good fortune which the Metropolitan has enjoyed in its succession of great and enterprising leaders. Notable among these are the two executives who today direct the organization. Frederick H. Ecker, Chairman of the Board of Directors, has participated in six decades of the Company's extraordinary growth and has been active in every major undertaking in its history. Leroy A. Lincoln, President, joined the Company in 1918 and has participated in all of the newer developments which have improved the standards of administration and have liberalized the contracts for policyholders. This year the Company celebrates these two anniversaries, the 60th and the 25th of its two leaders along with its own.

While "A Family of Thirty Million" is nominally a history of the Metropolitan Life Insurance Company, the volume also clarifies the operations of Life insurance in general; the volume giving a glimpse into the essentials of what Life insurance is and does.

The book is not for sale, but is intended to reach a wide public and will be distributed to libraries, the press, schools, colleges, banks, insurance and other business institutions and interested individuals throughout the country.

The 75th anniversary was marked by a dinner given on March 24, by the company at its home office, with addresses by Messrs. Ecker and Lincoln, broadcast over 154 stations.

WMC Committee For Industry-Labor-Farm

Paul V. McNutt, Chairman of the War Manpower Commission, appointed on March 20 a new Management - Labor - Agriculture Committee of nine members to replace the former 17-member Management-Labor Policy Committee.

In Associated Press advices this action was reported as follows:

"The old Management-Labor Policy Committee recommended the appointment of a new and smaller committee. It said the old committee had been helpful in advising with the Manpower Commission during the past 10 months but that the "maximum force of full and complete cooperative effort of Government, labor, agriculture and industrial management has not yet been brought to bear on manpower problems."

"Three industry members of the old committee, Eric Johnson, President, U. S. Chamber of Commerce; Frederick Crawford, President of the National Association of Manufacturers, and R. Conrad Cooper, Vice-President, Wheeling Steel Corp., remain members of the new committee.

"Philip Murray and William Green, Presidents of the CIO and AFL, are members of the new committee and a representative of the railroad brotherhoods will be appointed. Labor members sat on the old group but Murray and Green were not members.

E. A. O'Neil, President, American Farm Bureau Federation, and James Patton, President, National Farmers Union, remain on the new committee, and A. S. Goss, Master of the National Grange, becomes a new member.

Russia And Japan Extend Fishing Agreements

Japan and Russia have signed an agreement continuing Japanese fishing privileges in Soviet far western waters, it was announced on March 26, according to Associated Press London advices, which further said:

"A Moscow broadcast recorded here said, however, that Japanese fishing companies must pay between 4 and 5% more than during the last year. The payments are to be in gold, as before. Under the 1942 agreement, which ended on Dec. 31 the Russians had exacted a 20% increase in rentals over the price paid by the Japanese the previous year.

"Renewal of the Japanese-Soviet agreement generally is regarded as a gauge of relations between the two countries, which have a neutrality agreement despite the fact that Japan is allied with Germany and Russia is a member of the United Nations group."

Propose Standardization To Conserve Paper

A drastic program of standardization to conserve paper supplies was recommended to the War Production Board on March 18 by representatives of the commercial printing industry. Associated Press advices reporting this, added:

"The recommendations, drafted by a committee of the United Typothetae of America, called for a reduction of about 66% in the number of weights, grades and sizes of paper stock which committee members estimated would result in a saving of 8 to 10% in paper consumption by printers.

"The proposals were presented to E. W. Palmer, Deputy Director of the Printing and Publishing Branch of the War Production Board.

"Thomas B. Sheridan of Baltimore, who presented the recommendations to Mr. Palmer, said the Committee had found 'no logical economic reason' for many of the paper sizes, grades and weights now in use by printers.

"It is our studied opinion that more paper can be produced with the same equipment and personnel, or the same amount of paper produced with considerably less equipment and personnel, if this Committee's recommendations are followed," he said.

Work Draft "Inevitable"

Paul V. McNutt, War Manpower Commission head, declared on March 22 that a compulsory national service act was "inevitable," but that the timing was up to the President and Congress.

Mr. McNutt told a press conference that in the meantime the WMC will do its best to make the current "voluntary" system of manpower placement work.

Mr. McNutt had expressed opposition to the Austin-Wadsworth National Service Bill, on which the Senate Military Affairs Committee is now conducting hearings. He pointed out that legislation authorizing the Government to tell each man and woman what work to perform would be unprecedented, and added this comment:

"If a democracy can by a voluntary measure solve a problem which others have had to solve through compulsion, it is one of the greatest tributes to a democracy."

President Roosevelt has stated that he wished to avoid compulsory service legislation as long as possible, but the big question was that of timing; this was referred to in our issue of March 25, page 1109.

Senate Confirms Land To Maritime Post

By a vote of 70 to 5, the Senate confirmed on March 30 President Roosevelt's nomination of Rear Admiral Emory S. Land, Chairman of the U. S. Maritime Commission, to a new six-year term from April 16, 1943. Voting against confirmation were five Republicans — Senators Aiken of Vermont, Holman of Oregon, Langer of North Dakota, Shipstead of Minnesota and Tobey of New Hampshire. Senator Aiken led the fight to postpone confirmation of Admiral Land until a thorough investigation could be made to determine if the Maritime Commission has been guilty of any alleged waste or misspending of Governmental funds. The President reappointed Admiral Land on March 16 but the Senate had several times passed over the nomination in view of Senator Aiken's charges of irregularity against the Commission.

Admiral Land, who has been Chairman of the Maritime Commission since February, 1938, has also served as head of the War Shipping Administration since its creation in February, 1942.

Items About Banks, Trust Companies

(Continued from page 1307)

served the bank in various capacities since 1926;

Joseph A. Duddy, appointed Assistant Comptroller, also entered the bank's employ in 1926 and has served as Chief Examiner since 1938;

Ernest Calcaterra, appointed Chief Accountant, has been in charge of the accounting department of the bank since 1933, following the merger of the Italian Savings Bank, where he was head bookkeeper.

The Commercial National Bank & Trust Co. of New York reported as of March 31, 1943, total deposits of $174,567,852 and total assets of $195,699,149, compared respectively with $187,640,873 and $208,382,959 on Dec. 31, 1942. The bank on March 31 held cash on hand and due from banks of $45,366,848 compared with $50,365,892 on Dec. 31, 1942; investments in U. S. Government securities are now reported as $120,537,405 compared with $115,657,759 on Dec. 31, 1942, and loans and discounts now at $25,740,785, compare with $37,482,810 on Dec. 31, 1942. The bank's capital account is unchanged at $7,000,000 and its surplus and undivided profit account has increased to $9,581,004 from $9,479,707 at Dec. 31, 1942, after payment of the regular dividend. Net earnings per share for the quarter were $3.45.

The Continental Bank & Trust Co. of New York reported as of March 31, 1943, total deposits of $98,332,767 and total assets of $109,135,244, compared, respectively, with $96,759,799 and $107,222,793 on Dec. 31, 1942. Cash on hand and due from banks at the end of March amounted to $27,235,163, against $27,701,725; holdings of U. S. Government securities to $40,370,799, compared with $33,367,977, and loans and discounts to $28,738,960, against $31,390,318. Capital and surplus are unchanged at $4,000,000 and $3,000,000, respectively, and undivided profits are now $1,851,969 against $1,770,157 at the end of December.

The statement of condition of Sterling National Bank & Trust Co., New York, at March 31, 1943, shows total resources and deposits of $68,287,342 and $63,101,352, as compared with $72,301,206 and $67,090,997, respectively, as of Dec. 31, 1942. Of the March total deposits of $63,101,352 U. S. Government deposits amounted to $4,302,533, and commercial and other deposits were at the record high of $58,798,819. Capital, surplus and undivided profits totaled $4,331,947 against $4,303,153 on Dec. 31, 1942. Cash and due from banks amounted to $17,514,759 on March 31, 1943, against $18,370,692 on Dec. 31, 1942; U. S. Government securities totaled $28,743,668, compared with $32,379,322; State, municipal and corporate securities $1,411,314, against $2,019,705; loans and discounts $20,085,876, compared with $18,935,384. Stock in Federal Reserve Bank remained the same, namely, $120,000. Reserves totaled $582,525, as compared with $547,633 on Dec. 31, 1942.

J. Henry Schroder Banking Corp., New York, reports total resources of $42,215,156 as of March 31, 1943, against $48,701,207 on Dec. 31, 1942. Cash on hand and due from banks now at $5,304,891, compared with $6,958,181; U. S. Government securities in the latest statement are $23,040,815, against $27,053,924; customers' liability on acceptances (less anticipations) at $4,903,057, compared with $5,157,487 in December. Surplus and undivided profits stand at $2,615,276, against $2,607,781 in the previous quarter; amount due customers is shown as $27,389,141, against $34,342,911. Acceptances outstanding are now $6,455,445, against $6,132,841.

Schroder Trust Co., New York, reported March 31 resources of $29,145,549, compared with $29,321,624 on Dec. 31, 1942. Cash and due from banks $6,601,483, against $6,303,063; U. S. Government securities $16,581,530, compared with $15,531,440; loans and discounts $3,913,414, against $4,332,208. Surplus and undivided profits are now shown as $1,874,701 against $1,871,377. Deposits are now $25,531,852, compared with $25,726,851.

Fulton Trust Co. of New York in its statement of conditions at March 31, 1943, showed total deposits of $26,462,859 and total assets of $31,672,887, as compared with deposits of $30,804,814 and assets of $36,032,884 on Dec. 31, 1942. Capital and surplus showed no change in total at $4,000,000, but undivided profits increased to $964,661, after dividend payable April 1, 1943, as compared with $962,721 shown on Dec. 31. Cash, U. S. Government securities and demand loans secured by collateral amounted to $27,075,616, against $31,002,532 on Dec. 31, 1942. State and municipal bonds were $820,053, as compared with $1,067,677; time loans secured by collateral were $973,784, compared with $992,689 on Dec. 31, 1942.

The statement of condition of Manufacturers Trust Company of New York as of March 31, 1943, shows deposits of $1,344,604,197 and resources of $1,443,510,368, which compare with $1,322,420,807 and $1,419,495,474 shown on Dec. 31, 1942. On March 31, 1942, the respective figures were $998,156,498 and $1,094,006,798. Cash and due from banks is listed at $375,714,378 as against $370,862,493 shown on December 31 and $357,441,582 shown a year ago. United States Government securities stands at $676,984,890; three months ago it was $635,564,410 and one year ago it was $319,910,631. Loans, bills purchased and bankers' acceptances is now $279,375,385, which compares with $300,378,843 on December 31 and $301,101,095 on March 31 last year.

Preferred stock is shown as $8,307,640, common as $32,998,440, and surplus and undivided profits as $45,128,250. As a result of the redemption of 14,595 shares of its preferred stock on March 25, as required under its preferred stock indenture, capital account was reduced by $291,900, representing the aggregate par value for such shares, and undivided profits account was reduced by approximately $458,100, representing the amount in excess of the par value of the shares redeemed at $51 per share, plus the accumulated dividend of 39 cents per share.

Net operating earnings for the three months ending March 31, 1943, after amortization, taxes, etc., as well as dividends on preferred stock was $1,511,342, or 92 cents a share, which compares with 91 cents a share for the three months ending March 31, 1942. Of this amount $824,959 was paid in dividends on the common stock and $686,382 was credited to undivided profits.

The Manufacturers Trust Co., New York City, announced on March 30 that Henry W. Becker, Assistant Vice President, has been placed in charge of its Canal Street office. Mr. Becker has been connected with this branch for about 39 years.

Bankers Trust Company, New York City, was 40 years old on March 30 but due to wartime conditions no special anniversary observance was held. Starting in 1903 with a capital and surplus of $1,500,000, the institution is today the eighth largest in the nation. Capital and surplus as of the close of 1942 was $75,000,000, while total assets were approximately $1,625,000,000 and deposits amounted to $1,505,000,000. The bank was organized by the late Henry P. Davison as a trust company to which the National and State banks of the country might send their fiduciary business and which would not compete for active accounts on a basis of interest rates. It was to be in fact as well as in name a bankers' trust company. However, in 1917 changes in economic and financial conditions made it necessary for the institution to broaden its functions and enter the commercial field.

Business was started at 143 Liberty Street on March 30, 1903, with Edmund C. Converse serving as the institution's first President. Four months after the bank opened there were deposits of $5,750,000 and it was necessary to move to larger quarters at 7 Wall Street. There the offices remained until 1912 when they were removed in May of that year to the new 37-story building with the pyramid-top at 16 Wall Street, its present location.

In August, 1911, the Bankers Trust Co. acquired by merger the Mercantile Trust Co. and seven months later took over the Manhattan Trust Co. These mergers and the capital increases incident thereto brought the combined capital and surplus to $20,000,000 and deposits of over $134,000,000 at the close of 1912. In April, 1917, the Astor Trust Co. was acquired by merger, increasing the capital and surplus to $23,000,000; this was the last merger by Bankers Trust Co.

Mr. Converse was succeeded in the Presidency by Benjamin Strong, Jr., in January, 1914, and he, in turn, by Seward Prosser in October of that year. When Mr. Prosser was advanced to the newly-created office of Chairman of the Board in 1923, A. A. Tilney became the fourth President of the institution. In 1929 Henry J. Cochran became President of Bankers Trust and Mr. Tilney was made Vice-Chairman of the Board. Mr. Cochran was succeeded in the Presidency by S. Sloan Colt in June, 1931, when the former was made Vice-Chairman of the Board, succeeding Mr. Tilney, who became Chairman. Mr. Colt continues as President and chief executive officer of the trust company today.

The New York Trust Co., New York City, reported as of the close of business March 31, 1943, total assets of $641,756,214 and total deposits of $596,585,149, compared with assets of $673,169,484 and deposits of $628,777,301 on Dec. 31, 1942. Cash items amount to $142,845,896, against $172,140,077 three months ago; United States Government obligations (direct and guaranteed) to $333,369,710, compared with $326,995,937, and loans and discounts to $135,094,626, against $140,601,229. The bank's capital and surplus are unchanged from the close of 1942 at $12,500,000 and $25,000,000, respectively, while undivided profits now total $4,786,418, compared with $4,532,434 on Dec. 31, 1942.

Total assets and deposits of Brown Brothers Harriman & Co., private bankers, are shown at new high record levels in their financial statement as of March 31, 1943. Total assets amounted to $166,477,869 compared with $163,742,348 on Dec. 31, 1942, and with $162,019,786 on March 31, 1942. Deposits increased to $145,930,119 compared with $143,686,578 on December 31, 1942, and $137,462,686 on March 31, 1942. Capital and surplus of $13,465,913 compared with $13,445,284 three months ago and $13,385,363 a year ago.

Loans and advances are now $25,870,596 against $25,874,629 on Dec. 31, 1942, and $30,325,602 on March 31, 1942. Other important asset items compared as follows with the figures for three months ago and a year ago: Cash, $41,989,284 against $37,455,406 and $40,651,166, respectively; United States Government Securities (valued at lower of cost or market), $63,660,603 against $67,329,281 and $56,418,797; marketable bonds and stocks (valued at lower of cost or market), $14,968,373 against $13,078,218 and $13,545,845.

The Corn Exchange Bank Trust Co., New York City, reported as of the close of business March 31, 1943, total deposits and other liabilities of $514,044,920 and total resources of $550,333,613, compared with $532,798,687 and $568,935,217, respectively, on Dec. 31, 1942. Cash in vaults and due from banks total $141,522,676, against $152,476,572; holdings of U. S. Government securities are reported at $332,581,628, compared with $324,312,363, and loans and discounts are $30,467,331, against $37,035,467 at the end of 1942. Capital and surplus are unchanged at $15,000,000 each, while undivided profits now stand at $6,288,693, as against $6,136,530 on Dec. 31, 1942.

According to the March 31, 1943, statement of condition of the Public National Bank and Trust Co. of New York, total resources amounted to $266,541,416 and deposits totaled $243,970,435. This compares with resources of $265,365,952 and deposits of $243,398,918 at the end of 1942. Cash and due from banks in the current statement are given as $59,687,267, against $58,839,785 on Dec. 31, 1942; loans and discounts amount to $66,311,040, compared with $63,961,035, and U. S. Government obligations to $128,556,513, against $130,495,243. Capital and surplus are unchanged from three months ago at $7,000,000 each, but undivided profits are listed at $4,726,376, as compared with $4,598,773 at the close of 1942.

Total assets of Clinton Trust Co., New York, increased to $14,263,728 at March 31, 1943, from $13,804,381 at Dec. 31, 1942, and $11,632,227 on March 31, 1942, according to the bank's statement of condition at the end of the first quarter of 1943. Deposits on March 31, 1943, amounted to $13,077,208, compared with deposits of $12,634,000 on Dec. 31, 1942, and $10,431,862 a year ago. Surplus and undivided profits of the bank totaled $425,193 against $417,350 three months ago and $390,000 a year ago. Capital stock of Clinton Trust remains unchanged at $600,000, while capital notes are now $50,000 compared with the same amount on Dec. 31, 1942, and with $75,000 on March 31, 1942. Loans and discounts are $2,239,967 at March 31, 1943, compared with $2,596,996 three months ago and $3,128,095 a year ago. Other asset items compare as follows with the figures for three months ago and a year ago: Cash on hand and due from banks, $3,473,645, against $3,667,592 and $3,266,506; investments in bonds $8,036,240, against $7,064,885 and $4,687,824.

Thomas H. Wilson, for many years Vice-President and Secretary of the United States Trust Co. of New York, died on March 30 at the White Plains Hospital, White Plains, N. Y. He was 62 years old. Mr. Wilson started with the United States Trust Co. as an office boy in 1897. He became an authority on trust administration. He was appointed Assistant Secretary of the company in 1920, Vice-President in 1927 and Secretary in 1932. He also was a Director of the Columbia Casualty Co., the Commercial Union Fire Insurance Co. of New York and Vice-President and Director of the South Wall Corp.

Spencer Scott Marsh, Chairman of the Board of The National Newark and Essex Banking Co., Newark, N. J., retired on April 4 because of age and ill health.

The Board of Directors of the institution have adopted resolutions commending Mr. Marsh for his more than 25 years' service as Cashier, Vice-President, Director and Chairman.

Mr. Marsh began his banking career at the age of 15 with the People's Bank of East Orange and 12 years later became Cashier of the North Ward National Bank of Newark.

In 1917 he joined the National Newark and Essex Banking Co. as Cashier; became Vice-President in 1920, Director in 1926 and Chairman of the Board in 1940. Mr. Marsh was one of the organizers of the Newark Clearing House Association and is a former President of the New Jersey Bankers Association. His election in 1940 as Chairman was reported in our issue of Oct. 26, 1940, page 2437.

The Philadelphia National Bank, Philadelphia, reports in its statement of condition as of March 31, 1943, total deposits of $703,038,134 and total resources of $759,239,931. This compares with deposits of $678,427,431 and resources of $733,168,806 on Dec. 31, 1942. In the current statement, cash and due from banks amounts to $205,037,384, compared with $213,194,415; holdings of U. S. Government securities to $406,817,692, against $375,279,847, and loans and discounts to $84,197,020, compared with $81,461,521. No change has been made in capital stock, which stands at $14,000,000, but surplus and undivided profits have increased to $34,146,968 from $33,869,234 at the end of 1942.

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